Vote with the League Toolkit 2026

A local League toolkit on voting recommendations for state ballot measures

November 3, 2026

LWV LEAGUE OF WOMEN VOTERS® OF CALIFORNIA

Online: lwvc.org/ballot-recommendations

PROP 1 VETERANS & AFFORDABLE HOUSING BONDS SUPPORT

Funding from the 2018 bond for broad affordable housing programs has been spent, and there is a corresponding backlog of affordable housing projects stuck waiting for years for financing. Many families in California continue to endure high housing costs, leading to an increase in homelessness and overcrowding. Public subsidy is necessary to provide safe and stable housing for households at the lowest incomes.

Prop 1 authorizes $10 billion in general obligation bonds for the construction, acquisition, rehabilitation, and preservation of affordable housing and for homeownership programs, plus $1.25 billion, also in general obligation bonds, for veteran mortgage assistance through the CalVet Home Loan Program, expected to be repaid from borrowers' mortgage payments.

Vote YES on Proposition 1

League Analysis

Background

California is in the throes of a well-documented housing crisis, especially at the low- and moderate-income levels. The state Department of Housing and Community Development released a statewide housing plan in 2022 that indicates a need of 2.5 million new homes, including more than 1 million affordable homes, by 2030 to keep up with demand. Despite efforts to increase production, we are still falling woefully short of what is required – especially in the area of affordable housing.

Existing law establishes various grant and financial assistance programs for affordable housing, including dedicated funding to extend affordability covenants on existing property, to create farmworker housing, to assist Tribes, and to provide low-interest homeownership mortgages. These programs are mainly funded through general obligation bonds, which have since been spent.

The Proposition

Prop 1 authorizes $11.25 billion in bonds for affordable housing and veteran mortgage assistance:

- $5.10 billion for multifamily rental housing construction and rehabilitation
- $1.25 billion for veteran mortgage assistance through the CalVet Home Loan Program
- $1.15 billion for housing integrated with supportive services
- $1.10 billion for affordable homeownership assistance
- $750 million for preserving and rehabilitating existing affordable housing
- $500 million for infrastructure supporting infill housing
- $450 million for farmworker housing
- $350 million for affordable housing at UC and CSU
- $200 million for tribal housing
- $200 million for acquiring and rehabilitating unrestricted housing and preserving it as affordable housing
- $200 million for competitive grants or loans to local housing trust funds to encourage innovative, cost-saving housing programs

Cost

The state General Fund would pay an estimated $500 million to $600 million a year for about 25 years to repay the $10 billion housing bond. That is about one-quarter of 1 percent of the General Fund budget. Because the state must pay interest, the inflation-adjusted cost would be about 15 percent more than paying the full amount up front.

The $1.25 billion for CalVet home loans would be repaid through participating veterans' mortgage payments. Those payments have always covered the bond costs, so the Legislative Analyst estimates no direct state cost for this part of the measure. Because these are general obligation bonds, the state remains responsible if program revenue falls short.

This is a substantial long-term commitment. But the size of California's affordable housing backlog, along with the continuing public costs of homelessness and housing instability, makes it a commitment worth taking on.

Relevant League Positions

[Housing and Homelessness (State)](). Supports state programs and financial assistance to expand and improve safe, adequate housing for all Californians.
[Homelessness Action Policy (State)](). Supports shelters, permanent supportive housing, and more affordable housing to reduce homelessness and prevent people from becoming homeless.
[State and Local Finances (State)](). Supports responsible long-term financing, including bonds for public construction, facilities, repairs, and retrofits when other funding is unavailable.

PROP 2 SAVE FOR CALIFORNIA'S FUTURE ACT SUPPORT

Proposition 2 will allow California to save more money during strong economic years so it can protect schools and other essential services when revenues fall.

California's budget can change dramatically from one year to the next. The state relies heavily on personal income taxes, including taxes on capital gains. Capital gains are profits people earn when they sell stocks, businesses, real estate, or other investments. These taxes bring in much more money when financial markets are doing well, but that revenue can disappear quickly during an economic downturn.

Prop 2 would help California prepare for those swings. It would allow the state to build a larger rainy-day fund and require it to save more when capital gains revenues are unusually high. That would give California a stronger financial cushion during recessions, natural disasters, public health emergencies, and other difficult periods.

Saving more during good years can help prevent deep cuts to public services during bad years. It can also reduce the need for emergency borrowing and other painful budget actions.

[Vote YES on Proposition 2]()

League Analysis

Background

California's General Fund pays for schools, health and human services, public safety, environmental programs, and many other state services. Its revenues can rise or fall sharply because the state relies heavily on personal income taxes, including taxes on capital gains. When financial markets are strong, the state may receive billions more than expected. Those revenues can quickly disappear in a downturn.

In 2014, voters approved Proposition 2, which created the current structure of California's Budget Stabilization Account, or rainy-day fund. The League supported that measure. Current law generally requires the state to set aside money each year, with additional savings when capital gains revenues are high. Through 2029-30, half of the required set-aside generally goes into the rainy-day fund and half toward specified state debts and obligations.

Required deposits generally stop when the fund reaches 10% of annual General Fund tax revenues. During a qualifying budget emergency, the Legislature may suspend deposits and withdraw reserves. In the first year of withdrawals, the state generally may use no more than half of the fund; that restriction does not apply if withdrawals continue the following year.

The Proposition

Beginning in 2027-28, Prop 2 would:

- **Raise the rainy-day fund cap from 10% to 20% of annual General Fund tax revenues.** The state would continue making required deposits until the fund reaches the higher limit.
- **Require more savings when capital gains revenues are unusually high,** when California is most likely to receive temporary revenue that may not continue.
- **Change how savings count under the Gann Limit,** the constitutional limit on state and local government spending. Rainy-day fund deposits would count toward the limit when withdrawn and spent, rather than when saved. The same rule would apply to a separate account for temporarily holding surplus revenue, with the exclusion capped at 10% of General Fund tax revenues.
- **Continue directing half of the annual required set-aside to specified debts and obligations through 2039-40,** including repayment of federal unemployment insurance loans. Beginning in 2040-41, the Legislature could continue using up to half for these purposes but would no longer be required to.
- **Simplify the process for declaring a budget emergency.** A Governor's budget revision proposing to suspend deposits or use reserves could serve as the emergency declaration, but the Legislature would still have to approve those actions.

Prop 2 would not create a new tax. Its effects would vary from year to year, but in strong revenue years it would generally put more money into reserves and leave less available for other General Fund purposes, including infrastructure.

A More Responsible Approach to State Savings

California should not make permanent spending commitments based on revenue that may disappear the following year. Prop 2 would save more during unusually strong revenue years and build a larger cushion for recessions, natural disasters, public health emergencies, and other difficult periods. That could help protect essential services, reduce the need for emergency borrowing, and give state leaders more choices when revenues fall.

There is a tradeoff. Saving more means less money is available for other uses during strong years. Under current law, money that cannot be deposited because the fund has reached its 10% ceiling may be spent only on infrastructure, including deferred maintenance. Raising the ceiling to 20% would direct more of that money into reserves instead.

But much of the additional savings would occur when capital gains revenues are unusually high and unpredictable. Using temporary windfalls for ongoing spending can lead to deeper cuts when those revenues disappear. Prop 2 would still allow the state to suspend deposits and use reserves during a qualifying budget emergency, and it would not change the minimum school funding guarantee established by Prop 98.

Prop 2 will not solve every state budget problem, but it would significantly improve California's long-term financial planning.

Relevant League Position

State and Local Finances (State). The League supports measures that provide enough revenue and flexibility to meet changing needs for state and local government services. It also supports long-range financial planning that meets current and future needs while accounting for the impact of public debt.

PROP 3 CHILDREN'S EDUCATION & HEALTH CARE PROTECTION SUPPORT

Proposition 3 would protect funding for schools, health care, and other essential services by keeping California's current income tax rates on the highest-income 2 percent of taxpayers. Without Prop 3, those rates would fall in 2031, reducing state revenue by an estimated $5 billion to $15 billion each year. Prop 3 would not change anyone's tax rate today.

About 40 percent of this revenue goes to schools and community colleges. The rest helps fund Medi-Cal and other health and human services, other essential public services, and state budget reserves.

California should not give its highest-income residents a multi-billion-dollar tax cut while schools, health care, and other essential services face serious financial pressure. Prop 3 simply asks the top 2 percent to keep paying the same rates they already pay. The League strongly supports the measure because it protects vital services, helps California weather economic downturns, and keeps the state's tax system fair.

Vote YES on Proposition 3

League Analysis

Background

California's personal income tax raises more state revenue than any other tax and provides most of the money in the General Fund, which pays for schools and universities, Medi-Cal and other health and human services, prisons, courts, and other state programs.

California has a progressive income tax, meaning tax rates rise as income rises, and each higher rate applies only to income within that bracket. Voters approved higher rates on top incomes in 2012 and extended them through 2030 in 2016. The higher rates apply to roughly the top 2 percent of taxpayers. At 2025 income levels, they begin above about $371,000 for single filers, $743,000 for joint filers, and $505,000 for heads of household. These thresholds rise each year with inflation. Much of the income reported by high-income taxpayers comes from stocks and other investments, so revenue from these rates rises and falls with financial markets.

Although Prop 3 departs from the League's preference for legislative control of tax rates and limited earmarking, its public benefits clearly outweigh that loss of flexibility. It preserves a progressive source of revenue for education, health care, other essential services, and reserves.

The Proposition

Prop 3 would make the current higher income tax rates on top incomes permanent. It would not change tax rates before 2031 but would prevent them from dropping then.

The Legislative Analyst estimates this would maintain $5 billion to $15 billion in annual state revenue, depending largely on the economy and financial markets.

About 40 percent of the revenue would go to schools and community colleges through the Proposition 98 school-funding guarantee. The rest would be available for other state programs, including health and human services, with some deposited into budget reserves.

The education share would continue to flow through the Education Protection Account. Of that money, 89 percent would go to K-12 school districts, county offices of education, and charter schools, and 11 percent would go to community college districts. Local governing boards decide how to spend the money in open public meetings. The funds cannot be used for administrative costs, and recipients must report online as to how the money is spent and undergo annual audits.

Prop 3 would also continue a health care allocation in years when revenue exceeds the amounts needed for the school-funding guarantee and currently authorized state services. Half of the remaining amount, up to $2 billion a year, would support critical, emergency, acute, and preventive health care for children and families through Medi-Cal. The Legislature could reduce or suspend this allocation during a declared budget emergency, but not by a greater percentage than the overall reduction in General Fund spending.

Relevant League Position

State and Local Finances (State). Support measures to ensure revenues both sufficient and flexible enough to meet changing needs for state and local government services; that contribute to a system of public finance that emphasizes equity and fair sharing of the tax burden as well as adequacy; and that include long-range finance methods that meet current and future needs while taking into account the cumulative impact of public debt.

LEAGUE OF WOMEN VOTERS OF CALIFORNIA

PROP 4 CALIFORNIA FAIR ELECTIONS ACT SUPPORT

Elections should be won, not bought. But in California, personal wealth and access to big donors have become unofficial qualifications for public office. Qualified candidates without wealthy networks are often shut out before voters hear their ideas, while candidates and officeholders spend too much time chasing large checks.

Prop 4 gives Californians a way to change that. It lifts California's near-total ban on public campaign financing and allows the state and local governments to create voluntary programs. The measure creates no financing program and provides no campaign funding by itself. Each jurisdiction decides whether to adopt a program and how to design and pay for it.

Public financing can make small donations matter more, give candidates without personal fortunes a fairer chance to compete, and let them spend more time listening to voters. By reducing the advantage of incumbents, wealthy donors, and special interests, these programs can make elections more open, competitive, and accountable.

They can also open the door to candidates who better reflect California. Latino, Asian American or Pacific Islander, and Black Californians make up nearly two-thirds of our population but remain vastly underrepresented in local government across much of the state. High campaign costs help keep that barrier in place. When voters can choose candidates who understand their communities and reflect their interests, they have more reason to participate.

Prop 4 protects public money. Candidates must show broad grassroots support and agree to spending limits. Money reserved for education, transportation, or public safety cannot be used. Programs cannot favor incumbents or discriminate by party. Public funds cannot pay legal defense costs or fines or repay a candidate's personal loan to a campaign. Finally, the measure triples the maximum fine for illegal foreign money in California elections.

Prop 4 gives every California community the freedom to build elections where voters have more power and wealthy donors and special interests have less.

Vote YES on Proposition 4
(The LWVC is an official proponent and has signed ballot arguments.)

LEAGUE OF WOMEN VOTERS® OF CALIFORNIA

League Analysis

Background

The Political Reform Act currently prohibits public officers from using public funds to seek elective office and prohibits candidates from accepting public funds for that purpose. Five charter cities operate public financing programs, but the state and most local jurisdictions do not have that option.

Campaign costs keep climbing. Since 2020, more than $1 billion has been spent on California state candidate races alone. Running a credible campaign increasingly requires either substantial personal wealth or access to donors who can write large checks. Candidates who have neither may never become serious contenders, regardless of their qualifications, ideas, or ties to their communities.

This system gives wealthy donors and special interests disproportionate influence over government decisions and weakens public trust. It also reinforces incumbency. Special interests tend to contribute more to incumbents because they want access to officials already in office, giving challengers another financial disadvantage.

Candidates and elected officials must devote enormous amounts of time to fundraising. That dependence on large donors affects which candidates can run, which issues receive attention, and whose concerns the government hears.

The Proposition

Prop 4 amends the Political Reform Act to allow public campaign financing for state and local candidates. Programs may be established by statute, ordinance, or charter. Prop 4 does not establish or fund a single program on its own. Each jurisdiction decides whether to create one and sets its rules within the measure's statewide safeguards.

Candidates must meet strict criteria demonstrating broad-based support in their districts. A program may require candidates to receive small contributions or vouchers from a specified number of voting-age residents. When contributions are used to qualify, a program cannot require more than $10 from each contributor for that person to count toward the threshold. This prevents candidates from qualifying through a small number of large checks.

Participating candidates must voluntarily agree to spending limits. A program may allow those limits to rise under a defined formula when opposing candidates or independent groups spend more, ensuring that participation does not leave a candidate defenseless against unlimited outside spending.

Prop 4 includes clear protection for public funds:

- **Funding for core public services is protected.** Money earmarked by the state or a local government for education, transportation, or public safety cannot be used.
- **Public funds cannot pay legal defense fees or fines.**
- **Candidates cannot use public funds to repay personal campaign loans.** A candidate who receives public funds also cannot repay such a loan from another source after the campaign ends.
- **Programs cannot favor incumbents or discriminate by party.**

Prop 4 also strengthens California's existing prohibition on foreign campaign money. A violation remains a misdemeanor, but the fine will range from the amount illegally contributed or spent to as much as three times that amount. Current law sets the fine at the amount contributed or spent.

Why the League is an Official Proponent of Prop 4

Democracy suffers when wealth determines who can run for office and whose concerns receive attention. Elections should offer voters a meaningful choice among candidates with different backgrounds, experiences, and ideas.

Public financing gives candidates another path. Small donations become more powerful, and ordinary voters become more important to the campaign's success. That changes who can compete. Candidates from working- and middle-class backgrounds, younger candidates, women, people of color, and community leaders outside traditional political networks are less likely to begin with personal wealth or access to major donors. Public financing helps remove that barrier.

More representative elections also strengthen diverse participation. Latino, Asian American or Pacific Islander, and Black Californians constitute nearly two-thirds of California's population but remain underrepresented in elected office across much of California. When voters see people on the ballot who share their experiences, understand their concerns, and speak to their lives, they have more reason to believe participation matters.

Public financing also reduces the pressure candidates and officeholders face to cultivate large donors. It gives them more freedom to speak plainly, challenge powerful interests, and act on behalf of the people who elected them. As California's Legislature recognized in placing Prop 4 on the ballot, reducing reliance on wealthy donors helps prevent corruption and the appearance of corruption and protects the integrity of government.

Prop 4 respects local control. Local voters and officials can decide whether a program fits their needs and what form it should take.

Public financing programs can operate at a modest cost, with Los Angeles funding its program for roughly $1 per resident in fiscal year 2023. This is a small public investment compared with the billions of dollars spent to influence California elections.

California should not maintain a statewide ban that protects the political power of wealthy donors and denies most communities the ability to choose a better system. Prop 4 opens elections to more candidates, makes ordinary voters more powerful, and strengthens accountability to the public.

Relevant League Positions

Money in Politics (State). The League supports state campaign finance practices for candidates and advocates of ballot measure positions that ensure full disclosure of campaign contributions and expenditures and enable candidates to compete more equitably for public office.
Money in Politics (National). The League supports public financing of elections, either voluntary or mandatory, in which candidates must abide by reasonable spending limits.
Campaign Financing (National). The League supports methods of financing political campaigns that ensure the public's right to know, combat corruption and undue influence, enable candidates to compete more equitably for public office, and promote citizen participation in the political process.

PROP 5 RECALL ELECTION REFORM FOR STATEWIDE OFFICERS SUPPORT

California's recall gives voters a way to remove a corrupt or failed official. It should never become a back door to state office for a replacement candidate propped up by only a small fraction of voters. However, that is exactly what today's recall rules allow, since the same ballot that decides removal also determines a replacement based on whoever gets the most votes, even if that's far short of a majority.

Prop 5 fixes a built-in contradiction in the recall process. Voters are asked to remove an officer by majority vote, then hand that same office to a replacement chosen by whomever gets the most votes, often in a field crowded with dozens of candidates and with no requirement that the winner reach half the vote. That's a loophole that can easily be exploited. In 2021, had the recall against Governor Newsom succeeded, the leading replacement candidate would have taken office with the support of just 28% of recall voters, a stark illustration of exactly this problem.

Prop 5 restores the recall to its proper purpose: deciding whether an official should remain in office. It shuts down that back door with one clean fix: removing the replacement candidate vote from the recall ballot itself. If a recall succeeds, the vacancy is filled through succession, appointment, or a later election decided by real majority support. These are the same rules used to fill any other vacancy in state government. A recalled officer can still run again later. This is a pro-democracy safeguard too - the choice stays with voters rather than being taken away entirely. What Prop 5 rules out is any return to office through appointment, so a recalled officer can only reclaim the seat by winning a real vote.

This is a matter of basic fairness and majority rule. Prop 5 protects accountability while ending a system that can hand power to a candidate most voters never chose.

Vote YES on Proposition 5
(The LWVC is an official proponent and has signed ballot arguments.)

League Analysis

Background

The current recall process contains a built-in contradiction. Voters are asked to remove an officer by majority vote, then hand that same office to a replacement chosen by whoever gets the most votes, often in a field crowded with dozens of candidates, with no requirement that the winner reach half the vote. The California Constitution allows exactly this: recall by majority vote, successor by simple vote count, on the very same ballot. The officer facing recall is barred from running as their own replacement, but nothing stops the office from landing in the hands of someone with only a fraction of the public's support. That mismatch is the flaw Prop 5 was written to fix.

The Proposition

Prop 5 ends that mismatch by removing the replacement candidate question from the ballot entirely. If a recall succeeds, the office becomes vacant and is filled the way vacancies are already filled everywhere else in California government: through succession, appointment, or a later election, under the existing constitutional and statutory rules for that office. The one exception is the Governor's office, where Prop 5 goes further to guarantee majority rule rather than leave it to chance.

If the Governor is recalled, the Lieutenant Governor immediately becomes Governor, so there's no vacuum in leadership. If the recall happens early enough in the term, before the nomination deadline for the next statewide election, voters get a real chance to choose a permanent replacement: a special election consolidated with the statewide primary, and if no one wins a majority there, a runoff between the top two candidates consolidated with the general election. Either way, whoever ultimately becomes Governor has won with actual majority support, not just the most votes in a crowded field. And because that election rides on the state's regular primary and general election calendar, it draws the full electorate that turns out for a statewide race, not the smaller, skewed group that shows up for a standalone special election.

If the recall happens later in the term, the Lieutenant Governor simply serves out the remainder, avoiding the cost and low turnout of a rushed special election so close to the next scheduled one. Vacancies in other statewide offices are filled the way they already are today when an officer resigns or dies in office: by gubernatorial appointment. Legislative seats stay vacant until a special election, the same process used for any other legislative vacancy. None of this is new machinery built for this measure. It's the same succession framework California already trusts for every other vacancy, now extended to recalls.

The measure also repeals the current ban on a recalled officer running to fill the same office in a later special election, though that person still cannot be appointed to the vacancy. A recalled legislator, for example, could run in the special election to regain the seat. This is itself a pro-democracy change. It keeps the decision about that person's political future in the hands of voters rather than taking it away entirely. If voters believe the recall was justified, they're free to elect someone else. If they think the officer deserves another chance, that choice is theirs to make at the ballot box. What the measure forecloses is any return to office through appointment, so a recalled officer can only reclaim the seat by winning a real vote, never through a decision made by another official on the voters' behalf.

Finally, the measure updates who handles recall administration when the Governor or Secretary of State is the one facing recall, since the current system has that officer overseeing a recall against themselves. The Secretary of State would take over the Governor's recall duties, and the Controller would take over the Secretary of State's; if both officers face recall at once, the Controller would handle both. This closes an obvious conflict of interest in how these elections are run.

Relevant League Positions

[California State Constitution (State)](). The Constitution should establish the framework and powers of the three branches of government, protect citizens' rights through mechanisms like direct legislation, and let elected officials carry out their duties with flexibility, subject to safeguards in the public interest.
[Voter Representation/Electoral Process (State)](). The League supports electoral methods that require the winner to receive a majority of the vote for executive and single-seat offices.
[Citizen's Right to Know/Citizen Participation (National)](). The League believes democratic government depends on informed, active participation, and that voters are better served by processes that are clear rather than confusing

PROP 37 LOAN PROGRAM FOR MIDDLE-INCOME BUYERS OF NEW HOMES — OPPOSE

California must build more homes and make homeownership possible for more families. The League of Women Voters of California has worked toward those goals for decades and supports Prop 1, which would provide $10 billion for affordable housing and homeownership programs and $1.25 billion for veterans' home loans.

Prop 37 addresses a real barrier: the down payment. But it does so by adding a second mortgage that buyers generally would repay every month.

- **Prop 37 could help a family buy a home without making it affordable to keep**. Buyers generally would repay the Prop 37 loan each month in addition to their first mortgage, property taxes, insurance, repairs, and other costs. Voters would not know the interest rate, loan term, or monthly payment before approving the program.
- **The program could reinforce racial and economic gaps instead of targeting families facing the greatest barriers**. Generations of housing discrimination have left many Black and Latino families with less wealth to draw on, but Prop 37 gives no priority to first-time or first-generation buyers and does not exclude current or former homeowners. Households earning up to twice the area median income could qualify, including some earning more than $300,000 a year, while buyers would still have to provide at least 3 percent of the home price.
- **The program is not tied to good planning**. Assistance could be used only for newly built or newly converted homes, with no requirement that they be near jobs, transit, schools, or services or avoid areas with high transportation,

insurance, or natural-hazard costs.

- **Too much remains undecided**. The Legislative Analyst says it is uncertain whether investors would buy the bonds, how the loans would compare in cost with other assistance, or whether the program would result in more homes being built or purchased. The interest rate and repayment terms would be set after the election.

California needs homeownership programs that lower families' total costs, confront racial barriers to building wealth, and support strong communities. Prop 37 does not meet that test.

Vote NO on Proposition 37

League Analysis

The Proposition

Prop 37 would let CalHFA issue up to $25 billion in revenue bonds to fund second mortgages covering up to 17 percent of a qualifying home's price. Buyers would have to contribute at least 3 percent from a source other than a grant or borrowed money. Homeowners' payments would repay bond investors and cover program costs.

Eligible buyers would have to have lived in California for at least a year, earn no more than 200 percent of area median income, occupy the home as a primary residence, and be its first purchaser. They need not be first-time or first-generation buyers.

Eligible homes must be newly built or newly converted from nonresidential buildings and priced no higher than 125 percent of the county conforming loan limit, currently about $1 million to $1.5 million. Loans would have fixed interest rates, limits on origination fees, and no prepayment penalty. CalHFA would set interest rates, repayment schedules, underwriting standards, and other terms. Borrowers could request temporary hardship deferrals.

Prop 37 also creates an optional "qualified builder" program. Participating developers would have to meet specified labor standards and would receive more flexibility under construction-defect rules.

Unlike existing CalHFA programs such as MyHome and Dream For All, which generally defer repayment, Prop 37 loans generally would require monthly payments.

Why the League Opposes Prop 37

- **The financing does not guarantee lasting affordability.** A Prop 37 loan could help buyers reach a 20 percent down payment and avoid private mortgage insurance, but it is still another loan generally repaid every month. Although CalHFA must seek to keep interest costs low, the measure sets no ceiling on the interest rate or monthly payment. The Legislative Analyst says it is unknown how the cost would compare with other down-payment assistance.

- **The program is not targeted to families facing the greatest barriers.** PPIC documents large racial gaps in homeownership and home equity. The California Budget & Policy Center also finds that white families are overrepresented, while Black and Latino families are underrepresented, in the income range targeted by the measure. Buyers would still need $15,000 for the required 3 percent contribution on a $500,000 home, while Prop 37 gives no priority to first-time or first-generation buyers.
- **The program is not tied to good planning.** Prop 37 limits assistance to newly built or converted homes but sets no location or planning criteria. The League supports housing near jobs, transit, and services, as well as infill development and protection of natural-hazard areas. The Budget Center warns that limiting assistance to new construction could steer some demand toward suburban and exurban development.
- **Important decisions would be made after the election.** CalHFA would determine interest rates, repayment schedules, underwriting standards, how much of the $25 billion to issue, and how and where the bonds would be marketed and sold. Prop 37 could later be amended, but only with more than 60 percent of each house of the Legislature, the Governor's signature, and changes consistent with the measure's purposes.

The Legislative Analyst finds no direct state or local costs because homeowners would repay the bonds. The League's concern is the design of a potentially $25 billion program that does not clearly target those facing the greatest barriers, guarantee lower overall housing costs, or advance broader housing and planning goals.

Relevant League Positions

Housing and Homelessness (State). Supports equal opportunity and affordable housing for all Californians; increasing the supply of safe, adequate housing; state financial assistance for housing construction and rehabilitation; and housing policies that promote infill development and greater density near transportation.
Equality of Opportunity (National). Supports equal access to housing and mortgage credit and government action to prevent and remove housing discrimination.
Meeting Basic Human Needs (National). Supports a decent home and suitable living

environment for every family, including access to employment, transportation, public services, and other community resources, while preventing haphazard growth and racial and economic isolation.

Land Use (State). Supports coordinated state, regional, and local planning and protection of natural-hazard areas, agricultural and other renewable-resource lands, open space, and environmental quality.

Transportation (State). Supports integrating transportation and land-use planning to improve the balance between jobs and housing, reduce vehicle travel, and expand public transportation and other alternatives to driving.

State and Local Finances (State). Supports long-range financing that meets current and future needs while taking into account the cumulative impact of public debt.

PROP 38 BONDS FOR IMMUNOLOGY MEDICAL RESEARCH OPPOSE

Medical research can save lives, but Prop 38 is the wrong way to fund it. It would authorize $8.4 billion in borrowing for immunology and immunotherapy research and require the state to make $500 million to $600 million in annual debt payments for about 20 years. Those payments would come from the General Fund, which also pays for schools, health care, and other public services.

- **Borrowing is a poor way to pay for ongoing scientific research**. Bonds are best suited to long-lived investments such as buildings and infrastructure. With interest, the Legislative Analyst estimates Prop 38 would cost about 10 percent more, after adjusting for inflation, than paying for the research up front.
- **Prop 38 would lock billions of dollars into one field of research for years to come**. About half of the money would go to a single UC-affiliated research institute and the other half to a grant program, with at least $4.2 billion reserved for cancer, heart disease, and Alzheimer's research. Scientific opportunities and public health needs change. State funding should be able to respond to those changes rather than locking billions of dollars into one field of research through a ballot measure.
- **Research royalties are no reason to take on $8.4 billion in debt.** When voters approved $3 billion for stem-cell research in 2004, supporters pointed to royalties and millions in new state revenue. By 2022, CIRM reported only $15.6 million in its licensing and royalties fund from royalty payments. Prop 38 again points to research-generated revenue as a way to offset public costs, but the Legislative Analyst says the amount and timing are unknown.

California can support important medical research without committing taxpayers to decades of debt and restricting future choices about where limited public dollars can do the most good.

Vote NO on Proposition 38

League Analysis

Prop 38 would authorize $8.4 billion in general obligation bonds for immunology and immunotherapy research. About half would fund one UC-affiliated nonprofit research institute. The other half would be awarded as grants by a council that includes representatives from seven UC campuses and 10 to 15 other nonprofit universities and research institutions. Only institutions represented on the council could receive grants. At least half of all bond funding would be dedicated to cancer, heart disease, and Alzheimer's disease.

The central problem is not the value of medical research; it is the financing. Long-term borrowing makes sense for capital projects that will serve the public for decades. Scientific research is an ongoing expense with uncertain results. Non-capital programs should generally be funded from current revenues rather than through bonds.

Prop 38 would also reduce the state's flexibility to set priorities as circumstances change. Its debt payments would continue for about 20 years regardless of future budget pressures, public health needs, or new scientific opportunities. Past experience gives reason for caution. Proposition 71 authorized $3 billion in bonds for stem-cell research in 2004, and supporters pointed to royalties and millions in new state revenue. By 2022, CIRM reported $15.6 million in its licensing and royalties fund from royalty payments. Prop 38 would again direct a share of research-generated revenue toward public costs, but voters should not assume those revenues will materially offset decades of debt.

Relevant League Position

State and Local Finances (State). Supports long-range financing that meets current and future needs while taking into account the cumulative impact of public debt. Supports public spending priorities that meet basic needs, use public funds economically, and preserve flexibility. Supports bond financing for long-term capital needs such as constructing, purchasing, or repairing public facilities.

LEAGUE OF WOMEN VOTERS OF CALIFORNIA

PROP 39 PROHIBITS VOTING WITHOUT GOVERNMENT-ISSUED ID — OPPOSE

Prop 39 is a partisan power grab to further President Trump's voter suppression efforts. It is based on lies about our elections. Prop 39 is intended to make it harder to vote and easier for politicians to decide which voters count. Right-wing billionaires spent millions to put it on the ballot.

- **California's elections are already secure**. Voters swear to citizenship under penalty of perjury, and officials verify identity at registration, check the rolls in person, and match every mail ballot signature.
- **A new registration hurdle.** Millions of existing voters could be forced to effectively re-register to "designate" a government ID for mail voting, like a driver's license or Social Security number.
- **Identity theft risk.** You would be required to put the last four digits of that sensitive ID number on the outside of your ballot envelope – next to your name, address, and signature.
- **Valid ballots thrown out.** Your mailed ballot would not be counted if the number you wrote didn't match the "designated" number. One wrong digit or a blank field could sink a valid ballot, with no guaranteed notice or chance to fix it. Texas tried this and rejected one in eight mail ballots. Those voters were less likely to vote again.
- **An ID check every time you vote in person.** You would have to show a government-issued ID every time, even after officials verified who you are. Most voters turned away under similar laws elsewhere had qualifying ID, just not on them.
- **A modern-day poll tax.** A "free" ID is not free. Getting one costs transportation, childcare, time off work, and fees for the paperwork behind it. Seniors, students, low-income workers, voters with disabilities, and voters of color are hit hardest.
- **Valid ID still must match.** Nearly 30 percent of U.S. adults have changed their name, 94 percent of them women. Californians who took a new name at marriage, and transgender voters whose documents lag may hold valid ID and be turned away anyway.
- **Bad data and wrongful purges.** Citizenship checks would likely run through untrustworthy federal databases that wrongly flag eligible citizens to purge them from voter rolls.
- **Longer lines and slower results.** Extra ID checks and flagged ballots add delay, and the lawsuits would stretch it further, handing election deniers more time to

spread lies.
- **Hundreds of millions of dollars every year.** New systems, staffing, free ID cards, audits, and lawsuits, all paid for while California already has budget problems.

Don't let President Trump and right-wing billionaires decide whose vote counts.

Vote NO on Proposition 39
(The LWVC is an official opponent and has signed ballot arguments.)

League Analysis

Background

California already verifies voter identity at multiple points. Registrants must provide a driver's license or state ID number, the last four digits of a Social Security number, or receive a unique state number, and they swear to citizenship under penalty of perjury. Mail ballots are tracked and signatures are compared against the signature on file. In-person voters state their name and address and sign the roster; it is a crime to impersonate another voter.

The fraud Prop 39 claims to address is vanishingly rare. A Brookings Institution analysis, from a nonpartisan think tank and using data compiled by the conservative Heritage Foundation, found 36 documented cases in Arizona over 25 years and 42.6 million ballots, and no election outcome altered by fraud in that time. The Brennan Center for Justice, a nonpartisan voting-rights research organization, found in-person impersonation fraud rates of 0.0003% to 0.0025% in elections studied closely for fraud. The Bipartisan Policy Center, a bipartisan policy organization, reviewed the Heritage database and counted 77 instances of noncitizen voting nationwide from 1999 through 2023. And a comprehensive review completed in 2026 by Utah's Republican-led state election officials examined more than 2 million voter records and found just 27 confirmed noncitizens on the rolls, 0.0013% of the records reviewed. Only 13 had voted, equivalent to 0.0006% of the records reviewed. The review flagged another 25 probable cases, nine of whom had voted, which still puts every confirmed and probable case at 0.0025% of the records checked.[1]

[1] Utah's review also exposed registration-process failures rather than a systemic voting problem: 14 of the 27 confirmed noncitizens had marked "No" when asked if they were citizens and should never have been registered, and state officials identified human error and vulnerabilities in the former registration system. Utah’s Republican lieutenant governor said the results did not show a widespread problem.

These findings come from nonpartisan, bipartisan, conservative, voting-rights, and Republican-led sources, yet point in the same direction: voter impersonation and noncitizen voting are extraordinarily rare.

The Proposition

Prop 39 would amend the California Constitution to require a government-issued ID every time someone votes in person. It does not specify which IDs would be accepted or provide an exception for voters who lack one. Mail voters would have to select an ID in their registration record, like a Social Security or drivers' license number, and write the matching last four digits on every return envelope, with no required privacy flap.

The measure does not explain how people who are already registered would designate an ID number in their voter-registration record. Millions of existing voters could therefore have to re-register just to continue voting by mail. Election officials would also have to make "best efforts" to verify citizenship using flawed government data never intended for the purpose and report the results annually. The State Auditor would audit compliance every odd-numbered year. Any citizen could sue the state or a county for noncompliance, though the measure does not say what evidence would be required.

Identity Theft and Privacy Risk

Prop 39 would put personal ID numbers on the outside of millions of mailed envelopes. The California Department of Justice warns against broad exposure of Social Security numbers. The Attorney General also identifies driver's license numbers as sensitive personal information and advises limiting access to them and protecting them from public view. See also See the California DOJ Data Breach Report. Counties must retain federal election records for 22 months, extending the time a number could be copied, stolen, or mishandled.

Ballot Rejections and Barriers to Voting

The measure does not require election officials to notify voters or let them correct a missing or mismatched number before rejecting a ballot. That turns voting by mail into a clerical test: leave the field blank, transpose digits, or use a different ID number, and an eligible voter's ballot could be rejected.

Texas adopted a similar mail-ballot rule and rejected about 12.4%, or roughly one in eight, ballots cast in the first election under the new rule. Research from the Brennan Center found affected voters were significantly less likely to vote later. In person, research on strict ID laws found that most voters turned away actually possessed qualifying ID but did not have it with them.

Checking ID for every in-person voter would also slow check-in and lengthen lines, especially for people balancing work, childcare, eldercare, or disability. More flagged ballots would burden election workers, slow the count, and give election deniers more time to spread false claims.

Who Would Be Hit Hardest?

These burdens would not fall evenly. Seniors, students, low-income workers, voters with disabilities, voters of color, and people whose names have changed through marriage, divorce, or gender transition are more likely to face transportation, mobility, documentation, or record-matching problems. A voter can be eligible, properly registered, and holding valid ID yet still be blocked because a document is hard to replace or records have not caught up with a move or name change. Prop 39 turns ordinary life changes into new reasons to delay or reject a valid vote.

A Modern-Day Poll Tax

A "free" ID card does not make the requirement free. Voters may still have to pay for transportation, childcare, time off work, and underlying documents such as birth certificates, marriage records, or court orders. Nearly 30% of U.S. adults have changed their name, and women make up 94% of that group. Updating the records and documents needed for current identification adds cost and delay, and a name-change mismatch can block an otherwise eligible, properly registered voter from satisfying Prop 39's exacting match requirement.

Citizenship Verification Risks

Prop 39 does not specify which databases officials must use or how conflicting records should be resolved. It could rely on systems such as the federal SAVE program, which a ProPublica and Texas Tribune investigation found produced erroneous noncitizen flags, especially for citizens born abroad. In surveyed Texas counties, more than 5% of flagged voters proved they were citizens; in Denton County, at least 14% did. The measure's private right of action could pressure counties to act on the same flawed data.

Fiscal Impact

The state and counties could spend hundreds of millions of dollars each year changing voter-registration systems, processing ID selections for existing voters, issuing “free” voter ID cards, training staff, checking citizenship, conducting audits, and defending lawsuits. California would spend that money on a problem that credible research shows does not exist while managing significant budget problems.

The Political Context

Prop 39 is a partisan power grab bankrolled by right-wing billionaires and MAGA megadonors. At least nine billionaires helped finance the campaign, many with a history of backing Trump and the GOP. Its largest donor, Richard Uihlein, gave $4 million and has funded candidates and groups that promoted false claims about the 2020 election.

Prop 39 did not arise from a California election problem. Trump demanded voter ID as a condition of Los Angeles wildfire relief in January 2025. Routine FEMA and SBA aid continued, but Congress never appropriated the roughly $34 billion recovery package Governor Newsom requested. As of Newsom's May 2026 trip to Washington, the White House had not transmitted the request to Congress despite bipartisan support for it.

The same national campaign has used federal power to target state elections. A judge dismissed United States v. Weber, the Justice Department's attempt to obtain California's full, unredacted voter file. (Appeal pending as of August 2026). Courts blocked parts of Trump's March 2025 executive order pushing proof-of-citizenship requirements, and Attorney General Bondi later made the same demand of Minnesota, conditioning cooperation on access to its voter rolls. Congressional Republicans have pursued the SAVE Act. Assemblymember Carl DeMaio, the measure's author, has described his voter ID legislation as satisfying conditions the administration set for California. Prop 39 carries that agenda into the California Constitution.

Relevant League Positions

Voting Rights (State). Support measures that protect every citizen's right to vote and safeguard the voting process, and oppose requirements that condition the right to vote on identification beyond what is necessary and reasonable.
Individual Liberties (National). The League of Women Voters opposes major threats to basic constitutional rights and believes that individual liberties guaranteed by the Constitution should not be weakened or abridged.

PROP 40 BILLIONAIRE TAX NEUTRAL

Prop 40 would tax extreme wealth to help meet urgent needs, but its one-time structure conflicts with principles of sound public finance and risks long-term revenue loss.

The federal government is walking away from feeding people and providing access to basic health care, putting Medi-Cal coverage and CalFresh benefits at risk for millions of Californians. When it does, the state has a responsibility to step in. Prop 40 would impose a one-time tax of up to 5% on billionaire wealth. The state would direct 90% of the revenue to health care, with the remaining 10% going to education, food assistance, and administration of the wealth tax. That could deliver tens of billions to the safety net when families are losing both.

The measure also confronts a deeper problem the League cannot ignore. The wealthiest American households pay a lower total effective tax rate than the whole population, largely because business wealth produces little taxable income. As of September 2025, roughly 900 American billionaires held nearly double the wealth of the entire bottom half of the country. Inequality on that scale demands that solutions like wealth taxes get serious consideration.

On the con side, Prop 40 makes budget decisions at the ballot box, locking the proceeds into an earmarked fund. The Legislature could choose how to spend within those categories but could not redirect the money to other needs. A one-time tax is also only a stopgap for programs that need funding every year. Furthermore, the tax rests on only a few hundred people. Of these, six billionaires reportedly left the state before the January 1, 2026, cutoff, potentially erasing more than one-quarter of the proponents' projected $100 billion revenue. It should be noted that the government estimates only tens of billions of dollars raised over several years and says the amount is highly uncertain. The government also estimates that state revenue could be reduced by less than $1 billion per year.

The deeper fear is behavioral: that the tax pushes billionaires out after they pay and deters others from ever coming. The government offers only the broad estimate that state revenue could be reduced by below $1 billion per year. On the other hand, some research finds that tax-driven migration among the wealthy is modest, and Silicon Valley's ecosystem is not easily traded away.

The human need is urgent and asking those most able to pay to fill a hole the federal government created is a fair demand. But the tax mechanism limits legislative flexibility for allocating money where it is most crucial and raises the risk of taxpayer flight.

Because we have strong positions on both sides of this measure, the League takes a neutral position on Prop 40.

League Analysis

Meeting Basic Human Needs, Health Care, and Tax Equity

Prop 40 would impose a one-time tax of up to 5% on the covered net worth of California billionaires and certain associated trusts. The tax would be due in 2027. Taxpayers could spread payments over five years but would pay more to do so. Real estate, pensions, and retirement accounts generally would be excluded. Liability is based on California residency on January 1, 2026, so anyone who was a California resident on that date would remain subject to the tax even if they later moved. Ninety percent of the revenue would have to be spent on health care. The remaining 10% would cover education, food assistance, and administration of the wealth tax. The money could not replace existing funding for those purposes.

The strongest case for the measure rests on the League's Meeting Basic Human Needs and Health Care positions. Federal budget changes are expected to cost California tens of billions of dollars in Medi-Cal funding each year and put more than 3 million households at risk of losing some or all their CalFresh assistance. The Legislative Analyst's Office (LAO) projects that nearly 2 million people could be disenrolled from Medi-Cal by 2030 because of new federal work and renewal requirements, and it expects most to become uninsured. It estimates that 665,500 people could be at risk of losing CalFresh benefits under expanded work requirements, 72,000 could lose assistance because of new immigration restrictions, and 525,000 could have monthly benefits reduced by an average of $39. Some people may fall into more than one group. Medi-Cal covers nearly 15 million Californians, including more than half of the state's children and 2.2 million seniors and people with disabilities. Prop 40 could help preserve coverage, safety-net providers, schools, and food programs as federal support is reduced.

The measure also advances the League's commitment to equity. Extreme wealth has become increasingly concentrated. As of September 2025, roughly 900 American billionaires held about $7.8 trillion, nearly twice the wealth of the entire bottom half of American households. A 2025 National Bureau of Economic Research study of the 400 wealthiest households found that they paid a lower total effective tax rate than the population as a whole, in significant part because business wealth produces relatively little taxable individual income. Asking those most able to pay to help preserve basic health care and food assistance is a fair demand.

State and Local Finance Concerns

The benefits of the tax must be weighed against serious conflicts with the League's State and Local Finance position. Medi-Cal, CalFresh, and public schools need funding every year. Prop 40 provides a one-time infusion, not a long-range finance method. Once the proceeds are exhausted, the programs will still need support, creating a funding cliff unless federal policy changes or the state identifies another continuing source. The durable answer is reform of the tax code or a revenue source built to last; the Legislature should be encouraged to do that work.

The earmarking also reduces budget flexibility. The measure places the proceeds in a separate fund and exempts them from constitutional school funding, budget reserve, and state spending limit requirements. It requires 90% of the revenue for health care, with the remaining 10% available for education, food assistance, and administration of the wealth tax. The Legislature could decide how and when to spend within those categories but could not redirect the money to other needs. The League has long cautioned against making detailed spending decisions at the ballot box because elected representatives need the ability to respond to changing conditions.

The narrow tax base creates a second fiscal risk. California already relies heavily on a small group of high-income taxpayers, and Prop 40 would depend on only a few hundred people. Reported departures before the January 1, 2026, residency cutoff show how quickly projections can change. A media analysis estimated that six billionaires who reportedly left would have owed roughly $27 billion, more than 1/4 of proponents' projected $100 billion in revenue. But the LAO does not project $100 billion in revenue. It says the tax probably would raise *tens* of billions of dollars over several years and that the amount is very hard to predict. It also expects a possible ongoing loss of less than $1 billion per year in state income tax revenue if billionaires leave or otherwise reduce their California taxable income. That risk would grow if one-time wealth taxes became recurring.

However, it must be noted that the longer-term migration risk is uncertain. A Stanford study of more than 45 million tax records found that million-dollar-income taxpayers move across state lines less often than the general population and that tax-driven migration is modest.

The study did not examine billionaires facing a one-time wealth tax of this size, but it undercuts the assumption that wealthy people routinely move solely because of state taxes. California's economic and professional networks also give them strong reasons to stay.

Finally, the money may not arrive when the programs need it. Valuing private companies, artwork, intellectual property, and other illiquid assets is difficult and will invite disputes. Residency and constitutional challenges could also delay collections. The initiative calls for expedited review and allows courts to adjust the applicable tax dates if the 2026 dates cannot legally be enforced. The LAO estimates that administering the tax could cost tens of millions of dollars per year for several years, paid from the new revenue. These uncertainties affect both the amount and timing of the money.

Prop 40 responds to an urgent need and asks those most able to pay to help protect health care and food assistance. It also addresses a level of wealth inequality that deserves serious action. But its one-time structure, rigid earmarking, narrow tax base, possible long-term revenue effects, and uncertain timing conflict with important League principles of sound public finance. Because strong League positions point in both directions, a neutral position is warranted.

Potential Interaction with Propositions 41 and 42

Prop 40 might not take effect even if a majority votes yes. If Prop 41 or Prop 42 also passes and receives more yes votes than Prop 40, courts could find that the measures conflict and prevent Prop 40 from becoming law.

Relevant League Positions

State and Local Finance (state). Support measures to ensure revenues both sufficient and flexible enough to meet changing needs; that emphasize equity and fair sharing of the tax burden as well as adequacy; and that include long-range finance methods that meet current and future needs.

Meeting Basic Human Needs (national). People who cannot work, whose earnings are inadequate, or for whom jobs are unavailable have a right to income and/or services sufficient to meet basic needs for food, shelter, and access to health care. Until federal benefits are adequate, some states will need to supplement federal payments.

Health Care (national). Support a system that provides a basic level of quality health care at an affordable cost to all U.S. residents. In the absence of a federal program achieving universal, affordable access, the League supports state-financed health care programs.

PROP 41 LIMITS NEW STATE TAXES & REQUIRES SPECIAL TAX AUDITS OPPOSE

Prop 41 would put revenue from new state taxes under the Gann Limit's rigid constitutional spending cap, making it harder to fund essential services and respond to changing needs. It would apply to any state tax enacted or taking effect on or after January 1, 2026.

The League opposed the Gann Initiative in 1979 because its spending limit was too inflexible to assure adequate government services in an uncertain future. Prop 41 would extend that constraint to new tax revenue. This is especially concerning for voter-approved initiatives, which generally cannot be changed by the Legislature without another vote of the people.

Prop 41 would also require audits of programs funded by new or increased special taxes, including programs such as public campaign financing that may not receive General Fund support. If a new tax excluded its revenue from the Gann Limit, the state could not impose, collect, or enforce it. And when the state is at or near the limit, Prop 41 could prevent all the revenue voters approved for a specific purpose from being spent on that purpose.

The audits would add state costs, estimated by the Legislative Analyst's Office in the low millions of dollars annually and growing over time. The General Fund would pay for a pre-election audit if an initiative failed to qualify or is rejected by voters. New programs could also be difficult to evaluate before they exist.

Prop 41 is also designed to prevail over a conflicting initiative on the same ballot. If both Prop 40, the Billionaire Tax measure, and Prop 41 pass and Prop 41 receives more "yes" votes, courts could find that they conflict and prevent Prop 40 from becoming law. Litigation could delay a final determination.

Vote NO on Proposition 41

League Analysis

State and Local Finance System

The League supports a state tax system that raises enough revenue to meet changing needs while preserving flexibility.

The Gann Limit, approved by voters in 1979, limits how much tax revenue state and local governments may spend each year. It is based on 1978–79 spending and adjusted annually for changes in population and per capita personal income. If state tax revenues subject to the limit exceed it over a two-year period, the excess generally must be divided between taxpayer rebates and additional education spending.

Prop 41 would require revenue from state taxes enacted or taking effect on or after January 1, 2026, to count toward the Gann Limit. This could make it harder to use new taxes for specific programs when the state is near the limit, including programs that the League supports, such as public campaign financing.

Prop 41 would also require the State Auditor to audit programs funded by new or increased special taxes. Proposed voter initiatives would receive a one-time pre-election audit. If voters or the Legislature approve the tax, audits would be required every four years. The audits would include financial and performance reviews and recommendations for achieving annual budget savings of 10%, although those savings would not be required. If an initiative qualifies for the ballot, an executive summary of the pre-election audit would appear in the Voter Information Guide.

Audit costs would generally be paid from special-tax revenue when a tax is approved. If an initiative does not qualify or is rejected by voters, the state would pay the pre-election audit cost.

Relevant League Positions

State and Local Finance (State). Support measures to ensure revenues both sufficient and flexible enough to meet changing needs; that emphasize equity and fair sharing of the tax burden as well as adequacy; and that include long-range finance methods that meet current and future needs.
Money in Politics (State). Support state campaign finance practices for candidates and advocates of ballot measure positions that will ensure full disclosure of campaign contributions and expenditures and enable candidates to compete more equitably for public office.

PROP 42 LIMITS NEW STATE TAXES ON PERSONAL PROPERTY OPPOSE

Prop 42 would lock broad new restrictions on state taxing power into the California Constitution, limiting California's ability to respond to future needs.

- **The ban goes far beyond retirement savings.** It would prohibit new state taxes on the ownership or control of a wide range of personal property, including stocks and other financial assets, business interests, art, intellectual property, retirement accounts, and other savings and assets.
- **Prop 42 would limit certain retroactive state taxes.** This includes new taxes based on conduct, activity, or status that occurred before the tax took effect.
- **The restrictions would be difficult to change.** Because they would be in the Constitution, changing them in the future would require another vote of the people. A tax that does not make sense today may be appropriate under different circumstances in the future.

Prop 42 is also designed to prevail over a conflicting initiative on the same ballot. If both Prop 40, the Billionaire Tax measure, and Prop 42 pass and Prop 42 receives more "yes" votes, courts could find that the measures conflict and prevent Prop 40 from becoming law. A court challenge could delay a final determination.

Vote NO on Proposition 42

League Analysis

California state and local governments tax certain forms of personal property, such as vehicles and business equipment. The state's General Fund, however, relies primarily on personal income, sales, and corporate taxes to fund schools, health and human services, and other programs. California does not currently tax the value of assets such as stocks, art, or intellectual property simply because a person owns them, although income generated by those assets may be taxed.

Prop 42 would constitutionally prohibit the state from imposing new taxes on the ownership or control of personal property and would restrict certain retroactive taxes. Because the prohibition would be constitutional, a future Legislature could not create such a tax without another constitutional amendment approved by voters. That would remove a potential source of revenue regardless of how California's economy, tax system, or fiscal needs change in the future.

Relevant League Positions

State and Local Finance (State). Support measures to ensure revenues are both sufficient and flexible enough to meet changing needs; that emphasize equity and fair sharing of the tax burden as well as adequacy; and that include long-range finance methods that meet current and future needs, including long-term debt financing of appropriate capital projects through bond issues.

PROP 43 LIMITS VOTERS' ABILITY TO RAISE REVENUES FOR LOCAL GOVERNMENT SERVICES — OPPOSE

Prop 43 would make it harder for communities to raise revenue for public services by allowing a minority of voters to block local tax measures. It would amend the Constitution to require a two-thirds vote for any new, increased, or extended special tax proposed by local voters through the initiative process. A simple majority keeps these decisions with most voters and gives communities more flexibility to respond to changing needs.

Vote NO on Proposition 43

League Analysis

The League of Women Voters of California has long supported allowing revenue and finance measures to be adopted by a simple majority vote.

Prop 43 would apply to special taxes proposed by voters of a city, county, or other local government through the initiative process. In recent years, local voters have approved measures such as sales taxes for parks or transportation projects and taxes on commercial landlords or property transfers. Some passed with more than 50 percent but less than two-thirds of the vote. Under Prop 43, measures with that level of voter support would no longer pass.

Requiring two-thirds approval would give one-third of the voters the power to defeat a tax supported by a majority. That higher threshold could make it more difficult for communities to raise revenue when local needs or economic conditions change.

Relevant League Position

State and Local Finance (State). Support measures to ensure revenues are sufficient, flexible, equitable, and responsive to changing needs, and support a simple majority vote to adopt, repeal, or change revenue and finance measures.

LEAGUE OF WOMEN VOTERS® OF CALIFORNIA

PROP 44 — 90% HEALTH CARE SPENDING FOR NONPROFIT SAFETY-NET CLINICS — OPPOSE

Prop 44 could reduce access to health care for Californians who already have the fewest options. It would impose a rigid spending requirement on nonprofit safety-net clinics serving low-income and uninsured patients. Clinics that cannot meet the requirement could face substantial penalties or even close, shifting patients to other public safety-net providers and increasing public costs.

Prop 44 would require affected clinics to spend at least 90% of their annual revenue on health care services. Clinics currently report spending an average of about 80%, although the percentage varies. The Attorney General would decide which expenses count toward the 90% requirement, using existing federal reports as a starting point.

Clinics falling below 90% would have to pay the state the amount of the shortfall. Although they could seek a temporary waiver or recover the money if they later comply, the financial pressure could threaten clinics serving communities that already have limited access to care.

A rule intended to direct more money to patient care should not put the safety net itself at risk. Prop 44 could worsen health disparities rather than reduce them.

Vote NO on Proposition 44

League Analysis

The League of Women Voters' position on health care supports the creation of a basic level of quality health care at an affordable cost for all. The League seeks an equitable distribution of services, with an efficient and economical delivery of care. Methods to create cost effectiveness used should not exacerbate disparities in health outcomes among marginalized residents.

Prop 44 would impose a rigid expense ratio on health safety net clinics that serve people with low income or uninsured people.   By the proposition's terms, administrative costs, management, and other non-program expenses would be limited to no more than 10% of revenue. It would fine clinics for spending less than 90% of revenue and impose additional penalties for failing to file required reports. It also creates criminal penalties for directors, officers, or agents who knowingly misreport revenues or expenses or participate in a scheme to manipulate the spending ratio. The proposition allows for a clinic to petition the Department of Public Health for a one year waiver of the 90% requirement if there are unexpected or exceptional circumstances or because of the clinic's economic condition such as the clinic would not be able to operate as a "going concern."

The proposition tasks the Attorney General's office with issuing "binding guidance" on which expenses would count as mission-related, giving the Attorney General significant discretion to determine what qualifies. It is not clear if services that these clinics provide, including enrollment, translation services, case management, or transportation of patients to the clinics, will be considered mission-related expenses.

The proposition also would require the Attorney General's office to review the reporting, including the 990 tax forms, and determine which clinics failed to meet the required ratio. It would then make recommendations to the California Department of Public Health to enforce the penalties.

The Legislative Analyst Office points out that the Attorney General's office has never had any role in governing or reviewing the actions of clinics. Further, the LAO points out that clinics currently report spending an average of about 80% of revenue on mission-related expenses. Whether or not these clinics would be in violation of Prop 44's rules depends in part on how the Attorney General's office defines mission-related expenses.

Clinics might respond to the new rule in a variety of ways including: 1) offering increased patient services that would be paid for by MediCal (which then increases MediCal expenses); 2) closing down, which would then send patients to other publicly operated safety net providers such as emergency rooms, increasing costs to those entities; or 3) reducing the services offered.

Any of the outcomes anticipated by the LAO show that Prop 44 would exacerbate disparities in health outcomes among marginalized residents, would not lead to efficient or economical delivery of care, and would not protect vulnerable populations. Clinic closures would similarly not support equitable provision of medical care to medically underserved populations in California.

Prop 44 comes against the backdrop of a broader conflict between SEIU-UHW and California's healthcare industry, including community health centers. The union, which has been organizing workers at community health clinics, argues that clinics spend too much on executive pay and administrative overhead and too little on patients, and it frames the measure as a response to deep federal health care cuts. Clinic operators counter that the union is using the legislative and initiative process as leverage in a labor dispute. They point to AB 1113, a similar 90 percent spending proposal that stalled in the Legislature and ultimately died earlier this year, even as the initiative campaign moved forward. They also dispute the substance of Prop 44, arguing that it would impose roughly $1.7 billion in penalties on clinics in its first year and conflicts with federal requirements governing health center funding and spending. The union calls the lawsuit and broader opposition an effort by the clinic industry to avoid accountability.

Whatever its origins, a federal court dismissed the clinics' preelection challenge without deciding whether Prop 44 is preempted by federal law. So, the League must grapple with the measure itself and its effects. The League's opposition rests on what Prop 44 would do, not on the motivations of either side in the dispute.

Relevant League Position

Health Care (National). Supports a basic level of quality health care for all, equitable access to services, efficient and economical delivery of care, and cost-control measures that do not worsen health disparities.

PROP 45 MODIFIES ENVIRONMENTAL REVIEW FOR CERTAIN PROJECTS — OPPOSE

The League of Women Voters of California has always recognized the need for the California Environmental Quality Act (CEQA) mandated environmental reviews of projects to create new housing, education, health, and public safety facilities, plus clean energy, transportation, and water projects to determine potential environmental impacts and mitigation measures to reduce adverse impacts.

At the same time, the League is aware that CEQA has been used to delay, if not completely derail, large projects. The League has supported some streamlining of CEQA requirements. But the process overhaul of CEQA proposed by Prop 45 goes too far.

Prop 45 is a long, very detailed statute that would significantly modify CEQA for specified “essential projects” to enforce strict timelines, constrain public participation with unreasonable timelines, eliminate key environmental analyses, and more. It addresses potentially very large-scale infrastructure projects, and their subsidiary components with the same time constraints as smaller “essential projects,” increasing the probability of rushed studies, incomplete analyses, lack of feasible alternatives, poor interagency coordination, less public participation, and decisions that are done in haste to meet the required timelines without considering the full consequences of the proposed "essential project."

Statutory exemptions and expedited processes are in place, some of which the League supported, making Proposition 45 unnecessary and flawed with this prescriptive process and inflated promises. Further, Prop 45 reduces opportunity for public engagement. Finally, voters are being asked to pass this long, detailed statute in a ballot initiative. Making changes or adjustments to this law would be difficult: legislative amendments would require a two-thirds vote of each house and would have to be consistent with and further the purposes of the measure; broader changes would have to go back to the voters.

Vote NO on Proposition 45

League Analysis

The California Environmental Quality Act (CEQA) was enacted to protect and enhance California's environmental quality by requiring agencies to evaluate the environmental impacts of projects and to suggest ways to mitigate adverse impacts. The result of CEQA is also protection of public health and safety. In addition, public participation, transparency, and disclosure are hallmark features of the law.

Since its enactment in 1970, the State Legislature has passed multiple streamlining efforts regarding CEQA environmental review to exempt developments (e.g., infill housing, transit and mobility projects, certain energy projects, and climate infrastructure projects) without compromising environmental review and public processes.

Proposition 45 would amend the state's landmark California Environmental Quality Act with the goal of speeding up the environmental review process. The proposed initiative would undermine the fundamental purposes of CEQA and compromise environmental protection by:

- **Creating restrictive timelines** that discourage thorough analysis of potential impacts and mitigation measures.
- **Sharply limiting the alternatives** that must be analyzed to an applicant alternative and a "no project" alternative.
- **Reducing opportunities for public participation**, with particular consequences for unorganized neighborhoods, underrepresented communities, and low-income households that may not be able to organize and comment effectively within a truncated process, further impeding environmental justice and equity.
- **Inhibiting meaningful interagency coordination** because of the time constraints.

- **Reducing CEQA's role in reviewing impacts** governed by other California environmental laws, including water quality, endangered species, air quality, pollution control, and more.
- **Superseding conflicting CEQA review requirements** for essential projects.

The proposed initiative covers potentially very large-scale infrastructure projects and their complex subsidiary components such as water, energy, transmission and more with the same time constraints as smaller "essential projects," increasing the probability of rushed studies, incomplete analyses, lack of feasible alternatives, poor interagency coordination, less public participation, and decisions that are done in haste to meet the required timelines without considering the full consequences of the proposed "essential project."

The League of Women Voters of California has long supported CEQA because comprehensive long range planning should include consideration of environmental, public-health, social and economic impacts of proposed plans and actions. CEQA provides the method by which environmental impacts are assessed. The League always urges meaningful public engagement and appropriate due process in connection with those reviews.

Current law already provides exemptions and expedited review for several of the project types defined as "essential" in the proposed initiative, including specified urban infill housing, transportation, health, and energy projects. Last year, the League supported two CEQA exemption bills, SB 607 (Weiner) and AB 609 (Wicks), which were incorporated into AB 130 and SB 131 (2025) that expanded CEQA exemptions for qualifying infill housing projects and other infrastructure projects. They provide fast track streamlining for several of the project types defined as "essential" in the proposed initiative, including specified urban infill housing, transportation, health, and energy projects.

In addition, the Judicial Streamlining Program has also been created to accelerate critical infrastructure projects across California *while ensuring thorough environmental review* and reducing lawsuit-related delays from three to five years to about 270 days. Judicial Streamlining is a key resource that housing developers, CEQA consultants, analysts, agencies and others can use to accelerate critical infrastructure projects.

Proposition 45 would derail necessary processes, limit the ability to perform impact and mitigation analysis, and create a lack of transparency and appropriate public participation, making this ballot measure flawed and an unnecessary proposal with inflated promises.

Relevant League Positions

Resource Management (National). Supports comprehensive long-range planning that weighs alternatives and considers environmental, public-health, social and economic impacts, with mitigation of adverse impacts.
Environmental Protection and Pollution Control (National). Supports maximum protection of public health and the environment and land-use planning that conserves and wisely manages natural resources.
Growth Management Action Policy (State). Supports environmental, social and economic impact review of major developments, coordinated planning, and citizen involvement throughout the decision-making process.
Citizen's Right to Know/Citizen Participation (National). Supports adequate notice, access to public information, open government, and broad public participation in government decision-making.