

CALIFORNIA INITIATIVE REVIEW

Initiatives at a Glance



2020 EDITION

UNIVERSITY OF THE
PACIFIC
McGeorge School of Law

INTRODUCTION

The California Initiative Review (CIR) and the Initiatives at a Glance are publications of objective and independent analyses of California statewide ballot initiatives and referendums. These publications are produced by the McGeorge Capital Center for Law and Policy and are prepared before every statewide election. Each CIR covers all measures appearing on the statewide ballot. Sometimes the CIR also contains reports on topics related to initiatives, elections, or campaigns. This year with twelve ballot measures, we are not featuring any reports. The most current issue and past issues of the CIR and the Initiatives at a Glance are housed online on the McGeorge website, <https://law.pacific.edu/law>. For the November 3, 2020, election, we anticipate that the full reports will be available on October 21, 2020.

The CIR and the Initiatives at a Glance supplement are written by law students enrolled in the California Initiative Seminar course at University of the Pacific, McGeorge School of Law. This fall 21 students were enrolled in the seminar. Editing of each analysis is performed by student editors under my supervision.

The student authors, editors, and I are grateful to the Capital Center for sponsoring the publication of the CIR, the Initiatives at a Glance, and the California Initiative Forum. We hope that the information contained in the analyses online, and these short synopses, will be helpful to you as you prepare to vote on the initiatives presented to the electorate this November.

Vote safely and stay well,

A handwritten signature in dark ink, appearing to read "MB Moylan", with a stylized, flowing script.

Prof. Mary-Beth Moylan
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PROPOSITION 14: STEM CELL RESEARCH BOND INITIATIVE (2020)

Current Law

- Proposition 71, passed in 2004, created the California Institute of Regenerative Medicine (CIRM), allotted \$3 billion in bonds to fund stem cell research, and established a state constitutional right to conduct stem cell research.
- The grants have been used for development and clinical testing of new treatments; basic research; facilities and other infrastructure; and education initiatives.
- Around \$30 million remains available for grants.

Proposed Law

- Proposition 14 would allow the state to sell an additional \$5.5 billion in bonds to fund grants to conduct research, trials, and programs related to stem cells, start-up costs for facilities, as well as the allocation of \$1.5 billion for research on therapies and treatments for brain and nervous system diseases, such as Alzheimer's, Parkinson's, and dementia.
- Proposition 14 increases the number of members on the governing board of CIRM from 29 to 35; adds a working group to focus on improving access to treatments and cures; caps the number of full-time employees at 70; and establishes training programs for undergraduate students and fellowships for graduate students related to advanced degrees and technical careers in stem cell research, treatments, and cures.

Policy Considerations

Yes on Proposition 14	No on Proposition 14
<ul style="list-style-type: none">● State costs would average about \$260 million per year for about 30 years. This amount is less than 1 percent of the state's current General Fund budget.● Cures are anticipated to lower state health care costs in the long run.● CIRM-assisted research has led to over 2,900 published medical discoveries and two FDA-approved drugs for the treatment of two forms of fatal blood cancers.● In 2019, the Trump administration announced that the federal government would no longer fund government scientists' studies using fetal tissue, so depending on the incoming administration, federal funding for stem cell research may be further limited.● CIRM's assistance in funding has attracted notable scientists from around the world to engage in research in California.	<ul style="list-style-type: none">● Proposition 14 will add \$7.8 billion in State debt when interest is taken into consideration.● CIRM-assisted research has had arguably fewer significant results than had been anticipated when Proposition 71 was passed.● The federal government has lifted the funding restrictions on stem cell research that caused Proposition 14's predecessor to be developed in the first place.● The federal government may change soon, so opponents argue that Californians should not vote to spend this money at this time given that, if more left-leaning individuals gain power, the federal government may increase its funding of stem cell research, potentially reducing the need for state funding.

PROPOSITION 15: INCREASES FUNDING FOR SCHOOLS AND LOCAL GOVERNMENT SERVICES BY CHANGING TAX ASSESSMENT OF COMMERCIAL AND INDUSTRIAL PROPERTIES

Current Law:

- Proposition 13 (1978) limits property taxes to 1% of the acquired price of the property, not the fair market value of the property.
- Proposition 98 (1988) requires 40% of the State's General Fund to be spent on education and creates two additional tests for determining the allocation of education spending from the General Fund.
- Proposition 2 (2014) creates a special trust account to hold funds allocated to education, but requires specific criteria to be met before funds can be placed in the account which has been an obstacle to getting money into the account since its creation.

Proposed Law:

- Proposition 15 would amend the current property tax system by requiring commercial and industrial properties valued at \$3 million or more to be taxed at their fair market value.
- This change would increase property tax revenues to the state by a projected \$6.5 billion to \$11.5 billion.
- The increased revenue will go to schools and local government.

Policy Considerations

YES ON PROPOSITION 15	NO ON PROPOSITION 15
<ul style="list-style-type: none">● Additional funding for schools will reduce class sizes, and fund school programs, counselors, librarians, and nurses● Money allocated to schools, community projects, housing, park and recreation programs, unemployment services, and homeless initiatives● Encourage housing development● Close loopholes that help commercial and industrial properties avoid reassessment	<ul style="list-style-type: none">● A massive tax increase during a recession and pandemic would hurt California's economic recovery● Proposition 15 would disproportionately hurt small minority owned businesses● Would not address pandemic related budget shortfalls as Proposition 15 would not be fully implemented until 2025● Small and rural counties would see a decrease in property tax revenue due to loopholes

PROPOSITION 16: ALLOWING AFFIRMATIVE ACTION IN PUBLIC CONTRACTING, EMPLOYMENT, AND EDUCATION

Current Law

- Proposition 209 was a 1996 ballot measure that amended the California Constitution to add Section 31 of Article I, titled “Affirmative Action.”
- Proposition 209 banned the government and public institutions from considering race, sex, color, ethnicity, or national origin in public employment, public education, and public contracting.

Proposed Law

- Proposition 16, also known as the Repeal Proposition 209 Affirmative Action Amendment, is an initiative constitutional amendment that would repeal Proposition 209.
- Proposition 16 would allow state and local entities to consider race, sex, color, ethnicity, and national origin in public education, public employment, and public contracting to the extent allowed under federal and state law.

Policy Considerations

YES ON PROPOSITION 16	NO ON PROPOSITION 16
<ul style="list-style-type: none">• State and local entities will not be required to consider race, sex, color, ethnicity and national origin. They will simply have the option to develop practices that allow for the consideration of diversity.• Affirmative action programs level the playing field by allowing policymakers to consider race, ethnicity, and gender when making decisions about contracts, hiring and education to eliminate systemic discrimination and remedy past harm.• In 41 states, government entities currently take gender, race, and ethnicity into consideration when making decisions about contracts, college admissions, and job opportunities.• Minority and women business enterprises have lost the potential equivalent of \$1 billion in public contracts because of Proposition 209.• Colleges and universities cannot and will not use racial quotas to achieve diversity.	<ul style="list-style-type: none">• Providing the option to consider race, gender, color, ethnicity, or national origin in state processes inevitably involves disadvantaging other groups of people on the same grounds.• Race-based remedies, or other affirmative action practices, are inherently discriminatory and will only prolong America’s racial divisions and inequities.• Increased diversity can be accomplished by targeting other characteristics not banned by Proposition 209, such as being a first in one’s family to enter college or earn a degree, or coming from a low-income or working-class family.• Proposition 16 will be expensive for California taxpayers.

PROPOSITION 17: VOTING RIGHTS RESTORATION FOR PERSONS ON PAROLE AMENDMENT

Current Law

- Article II Section 4 of the California Constitution prohibits individuals imprisoned or on parole for a felony conviction from registering to vote and from voting.
- Once an individual completes parole, their right to register to vote is restored and they can re-register and vote.
- Individuals on probation are allowed to vote after completion of their prison term.

Proposed Law

- This measure would alter Sections 2 and 4 of the California Constitution to grant individuals on parole the right to register and vote in California elections.

Policy Considerations

YES on Proposition 17	NO on Proposition 17
<ul style="list-style-type: none">● Granting the right to vote would incentivize individuals on parole to integrate back into their communities and reduce the likelihood of recidivism.● Proposition 17 would create a bright line rule: unless you are currently in-prison, you are eligible to register to vote so long as you are at least 18, a resident of California, and are mentally competent.● One-time costs to the state that are estimated in the hundreds of thousands of dollars (less than 1% of the state budget).● Annual cost to counties for running elections are estimated in the hundreds of thousands of dollars.	<ul style="list-style-type: none">● Felons on parole remain threats to innocent civilians and do not deserve the right to vote until completion of their parole.● By withholding the right to vote, individuals on parole are incentivized to abide by the terms of their parole.

**PROPOSITION 18: CONSTITUTIONAL AMENDMENT TO ALLOW 17-YEAR-OLDS TO VOTE IN
PRIMARY ELECTIONS**

Current Law

- Only U.S. citizens who are at least 18 years old, residents of California, and registered to vote, may vote in a California election; people in prison and on parole for felony convictions are prohibited from voting.
- 16-year-olds who are U.S. citizens and residents of California are able to preregister to vote. When they turn 18, their registration automatically goes into effect and they become eligible to vote.

Proposed Law

This amendment will give 17-year-olds the ability to vote in primary and special elections if they will be 18 by the next general election.

Policy Considerations

Yes on Proposition 18	No on Proposition 18
<ul style="list-style-type: none">● A YES vote allows 17-year-olds to vote in primary and special elections if they will be 18 before the general election● Fosters civic engagement in youth● Encourages a habit of voting in 17- and 18-year-olds● The next step in gaining independence after getting a job and paying taxes	<ul style="list-style-type: none">● A NO vote will retain the voting age at 18● Ensures that children do not vote in the elections● Ensures that teachers and parents do not exert undue influence on their students and children during elections

PROPOSITION 19: PROPERTY TAX TRANSFER

Current Law

- California allows homeowners who are over the age of 55, severely disabled, or victims of natural disasters to sell their current residences and transfer the property tax base of that residence to a new home in their current county or counties that allow for transfers from other counties.
 - The base year value is the value of the property as of 1975-1976, when a change of ownership occurs, or new construction.
 - A change of ownership does not include the transfer of a primary residence between parent and child or between grandparent and grandchild, so long as the parents are deceased.

Proposed Law

- Proposition 19 would allow for transfers of the taxable value of their property to a new residence located anywhere in the state.
- This Proposition will allow this transfer under the exception up to three times.
- Proposition 19 would also create two new funds from any increased revenue the state gains from the implementation of the new property tax rules.
 - The California Fire Response Fund
 - This fund would receive 75 percent of the funds from the revenue gains.
 - The County Revenue Protection Fund
 - This fund would receive 15 percent of the funds from the revenue gains.

Policy Considerations

Yes on Proposition 19	No on Proposition 19
<ul style="list-style-type: none">● Proponents note that this proposition will allow vulnerable Californians to move suited to their needs.● By including an incentive to move, Proposition 19 will increase economic activity and free up housing in our current housing crisis.● Advocates note that this will close unfair tax loopholes where the wealthy, celebrities, and East Coast investors avoid paying their fair share of taxes.	<ul style="list-style-type: none">● Opponents argue that this Proposition expands inequities in an already unfair tax system, allowing earlier purchasers to benefit while disadvantaging those who cannot yet afford a home.● 40,000 to 60,000 families will experience high property taxes each year as a result of the reassessment.● California voters already rejected a very similar replacement home tax exemption in 2018 by 58 percent.

PROPOSITION 20: REDUCING CRIME AND KEEPING CALIFORNIA SAFE ACT OF 2018

Current Law:

- Allows inmates convicted of non-violent felonies to be eligible for parole once they have served the full prison term of their primary offense
- Requires DNA collection from adults and juveniles convicted of a felony and from adults who are arrested on felony charges
- Does not criminalize or define serial theft or organized retail theft

Proposed Law:

- Would add 27 offenses to list of offenses considered a “violent felony offense” for purposes of denying early parole consideration under California Constitution Article I, Section 32
- Would require DNA collection for certain misdemeanors that, prior to 2014, could be charged as either a misdemeanor or felony
- Would create two (2) new theft crimes and redefine “shoplifting”

Policy Considerations

Yes on Proposition 20:	No on Proposition 20:
<ul style="list-style-type: none">• Would require DNA collection for certain misdemeanors and create two (2) new theft crimes• May expand list of crimes considered a “violent felony offense” for purposes of parole consideration, though this provision is challenged as an unlawful constitutional amendment and may not take effect even if Proposition 20 is enacted• Would increase state and local correctional costs by tens of millions of dollars annually	<ul style="list-style-type: none">• Maintains current laws regarding parole considerations, DNA collection, and theft crimes• Preserves criminal justice reform measures enacted by the people through Proposition 47 in 2014 and Proposition 57 in 2016• Continues to save tens of millions of dollars annually through measures enacted in Proposition 47 and Proposition 57• Does not expand shoplifting offenses that would disproportionately affect low-income and minority communities

PROPOSITION 21: RENTAL AFFORDABILITY ACT

Current Law

- In 1995, California passed the Costa-Hawkins Rental Housing Act (“Costa-Hawkins”), which limited the extent to which cities and counties can regulate the rents charged on certain properties.
- Several types of properties are exempt from local rental control. First, any housing constructed after 1995 is exempt. Second, housing that was already exempt from local rental control as of February 1, 1995 must remain exempt. Third, single-family homes and other units that have a title separate to that of any other dwelling units must be exempt from local rental control.
- Rental property landlords can establish their own rental rates at the start of a new tenancy within their dwelling units and local governments cannot infringe on that landlord’s right to a fair return on rental property.

Proposed Law

- The measure amends three sections of the California Civil Code – sections 1954.50, 1954.52, and 1954.53 – which limit the extent to which cities and counties can enact rent control on a local level.
- First, the exemption for housing constructed after 1995 is changed to an exemption for housing occupied within the last 15 years. Second, the exemption for housing that was exempt as of February 1, 1995 is eliminated. Third, the exemption for single-family homes and other units with title separate to other dwelling units applies only if the owner owns no more than two such properties.
- The amount by which an owner can raise rent at the start of a new tenancy is reduced to 15% over the course of the first three years of a new tenancy, calculated in addition to any increase permitted by local charter provision, ordinance, or regulation.
- The measure specifies that a landlord’s right to a fair return on property shall not be infringed on by a city or county.

Policy Considerations

YES on PROPOSITION 21	NO on PROPOSITION 21
<p>A YES vote means that cities and counties would have greater freedom to enact rent control, with less interference at a state level.</p> <ul style="list-style-type: none">• One in three renters pays more than 50% of their income toward their rent.• High rent is linked to homelessness, with homeless people 3-4 times more likely to die prematurely.• Lack of affordable housing results in longer commutes – number of people commuting more than 90 minutes each way is up 40% from 2015.	<p>A NO vote means that California law would continue to limit the extent to which cities and counties can enact rent control.</p> <ul style="list-style-type: none">• Rent control will force more people from their homes by driving up costs for properties without rent control.• The value of rental properties will decrease, resulting in local government’s loss of income and property tax revenue.• There are no protections for seniors, veterans, or those with disabilities under this program.

PROPOSITION 22: PROTECT APP-BASED DRIVERS AND SERVICES ACT

Current Law

- AB 5, passed in 2019, presumes workers are employees but permits workers to be classified as independent contractors if all of the following are true:
 1. the worker is free from the hiring company's control and direction while working;
 2. the worker is doing work that is outside the company's usual course of business;
 3. the worker is engaged in an established trade, occupation, or business that is the same as the work being done for the hiring company.
- Under this law, state courts have held that app-based drivers are employees.
- Wage and hour laws (including minimum wage, breaks, overtime, etc.), workplace safety laws, and retaliation laws protect employees, but not independent contractors.

Proposed Law

- Declares that app-based drivers are independent contractors, exempting app-based transportation and delivery companies from providing workers with employee benefits and protections.
- Requires companies to provide app-based drivers with minimum compensation and benefits not otherwise guaranteed to independent contractors.
- Requires app-based drivers to pass criminal background checks and be subject to antidiscrimination and sexual harassment training.
- Creates criminal misdemeanor penalties for impersonating app-based drivers.
- Requires a 7/8ths supermajority to amend through the legislature.

Policy Considerations

YES on PROPOSITION 22	NO on PROPOSITION 22
<p>A YES vote classifies app-based drivers as independent contractors rather than employees.</p> <ul style="list-style-type: none">• Provides app-based drivers with flexibility to create their own schedule not otherwise guaranteed to employees.• Establishes a minimum level of compensation and benefits for app-based drivers.• Protects a vital industry in the state from burdensome regulation.• Promotes public safety by reducing DUIs and delivering food to people forced to stay indoors.	<p>A NO vote supports existing law, which presumptively classifies app-based drivers as employees.</p> <ul style="list-style-type: none">• Requires companies to provide app-based drivers compensation and benefits guaranteed to employee drivers.• Allows the legislature to continue to regulate worker classification in app-based driving without an unprecedented supermajority.• Opposes excessive corporate campaign spending that circumvents judicial decisions and the legislature's process.

PROPOSITION 23: PROTECT THE LIVES OF DIALYSIS PATIENTS ACT

Current Law

- Chronic dialysis clinics (CDCs) must maintain an appropriate patient to staff ratio during operating hours, but there are no specifically delineated minimum staffing requirements.
- CDCs must provide a sanitary environment to minimize transmission of infections, are under no requirement to report infections to the state, but must report dialysis related infections to the federal Centers for Disease Control to receive payments from Medicare.
- Patients with government-backed insurance such as Medicare pay lower rates, but are not protected from discrimination under current law.
- CDCs are under no obligation to receive consent from a state entity before reducing services or closing down operations.

Proposed Law

- CDCs would have to maintain at least one licensed physician on-site during operating hours. Alternatively, the CDC can petition to the Department of Public Health for a waiver if there is a shortage of available licensed physicians.
- CDCs would be required to report all dialysis related infections to the California Department of Public Health (CDPH) in quarterly reports.
- CDCs would have to obtain consent from CDPH before closing or reducing services.
- CDCs could not turn away patients with government-backed insurance plans.

Policy Considerations

YES on Proposition 23	NO on Proposition 23
<p>Consequence of a YES vote include:</p> <ul style="list-style-type: none">● Higher costs on CDCs due to increased staffing requirements (several hundred thousand dollars per year at each site).● Potential for higher insurance premiums● Increased annual state and local government costs in the low tens of millions of dollars each year, in the form of state Medi-Cal costs, as well as state and local employee and retiree health insurance costs.● Annual costs to CDPH from regulatory responsibilities estimated in the low millions of dollars annually.	<p>Consequences of a NO vote include:</p> <ul style="list-style-type: none">● The medical director of a CDC is responsible for maintaining health and safety requirements of the CDCs.● The CDPH conducts inspections of CDCs once every three years or at any time to determine compliance.● There is currently no law that prohibits CDCs from negotiating rates with patients under individual or group health insurance.● There is currently no law that requires California CDCs or its governing entity to report to the DPH of any closure or reduction of services.

PROPOSITION 24: THE CALIFORNIA PRIVACY RIGHTS ACT

Current Law:

- Provides baseline privacy protections for Californians;
- Allows Californians to opt out of a business collecting or selling personal information;
- Allows Californians to request that a business delete their personal information, so long as the business does not need that information for an ongoing business relationship;
- Permits businesses to have loyalty programs;
- Requires California consumers to affirmatively opt out of data collection and sale before a business will stop collecting or selling that information;
- Exempts service providers from complying with these laws;
- Costs approximately \$4.25 to \$4.739 million annually

Proposed Law:

- Expands current data protections to also apply to information sharing;
- Requires that all future changes to the privacy laws comply with the purpose and intent of the law—being to protect Californians’ privacy from business exploitation;
- Continues to permit customer loyalty programs that adhere to California’s privacy laws;
- Permits Californians to easily communicate their desire to opt out of data collection by using a web browser’s “Do Not Track” signal; and
- Allocates \$10 million (adjusted over time) from the General Fund to create an agency dedicated to protecting Californians’ data from abuse by large businesses.

Policy Considerations

YES ON PROPOSITION 24	NO ON PROPOSITION 24
<ul style="list-style-type: none">• Makes privacy laws more small-business friendly without impairing Californians’ privacy;• Protects the law from changes that would weaken consumer privacy;• Does not foreclose a future law establishing a private right of action;• Creates new privacy protections that businesses already adhere to elsewhere;• Allows consumers to utilize their set-and-forget Do Not Track signal to communicate privacy preferences; and• Dedicates an agency to ensuring that businesses properly handle and do not misuse Californians’ consumer data.	<ul style="list-style-type: none">• California will still spend \$4.739 million to regulate privacy;• Californians cannot restrict a business from sharing consumer information;• California’s consumer privacy laws will protect Californians from more businesses that collect and sell data;• Will not create stricter penalties for businesses that compromise minors’ personal information;• Businesses may continue to ignore a consumer’s Do Not Track signal; and• Legislators and businesses can change privacy laws in any manner.

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

Current Law

- Some low-level and misdemeanor arrestees are released on their own recognizance, promising to return to court without having to make any payment.
- For other, more serious offenses, a judge will set a bail amount that the arrestee must pay to be released. Once the judge sets the bail amount, the arrestee must make a financial guarantee to the court by either paying the bail amount to the court with their own assets, or by paying a percentage to a bail agent who then makes the full payment to the court.
- Those who are able to pay their bail amount, or contract with a bail agent, are released until their court date. Those who cannot pay their bail amount, or cannot afford to contract with a bail agent, will remain in jail until their court date.

Proposed Law

- SB 10, passed in 2018 by the Legislature, would eliminate the system that requires people to pay to be released from jail following an arrest, effectively terminating the use of cash bail.
- The new risk assessment system would require a team of court staff to analyze certain criteria, such as the arrestee's criminal history and the type of offense they were arrested for, and determine if they are likely to not appear in court or if they are a risk to the community.
- Those who are high risk will be held in jail until their arraignment hearing. Those who are low risk will be released on their own recognizance. Those who are medium risk may request a hearing to determine if they can be released.
- No person released would pay any bail fees to the court.

Policy Considerations

Yes on Proposition 25	No on Proposition
<ul style="list-style-type: none">● A YES vote allows SB 10 and the risk assessment system to go into effect● The risk assessment system focuses on public safety and the likelihood of return to court● The money bail system disadvantages and punishes the poor and people of color● The risk assessment system is less expensive for taxpayers than the cash bail system	<ul style="list-style-type: none">● A NO vote repeals SB 10 and keeps the cash bail system● The risk assessment system will increase the risk to public safety● The risk assessment computer systems are unreliable and can increase bias against minorities● The risk assessment system will cost taxpayers money and eliminate jobs in the bail industry

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