

Overview of November Ballot Measures

Following are brief summaries of the measures that will appear on the November ballot and the reasons for the California Chamber of Commerce positions.

The CalChamber encourages employers to share this information with their employees. Businesses are within their rights to do so—just

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

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

stockholders and their families) and communications to *external* audiences (such as non-stockholder retirees, outside vendors, customers and passersby).

For more information on the ballot measures, see the link listed below or visit the website of the secretary of state at www.sos.ca.gov.

Proposition 18



Safe, Clean and Reliable Drinking Water Supply Act of 2010.

Moved to 2012 Ballot.

Proposition 19



Legalizes Marijuana Under California But Not Federal Law. Permits Local Governments to Regulate and Tax Commercial Production, Distribution and Sale of Marijuana. Initiative Statute. Allows people 21 years or older to possess, cultivate or transport marijuana for personal use. Limits employers' ability to address marijuana use.

Placed on Ballot By: Petition signatures.

Reasons for Position

The measure would create a legal quagmire for employers by significantly undermining the ability of employers to protect the safety of all employees in the workplace and establishing a new class of protected workers in the state. If this measure is approved, employers, including the State of California, would

be faced with the burden of proving that an employee who tests positive for marijuana is "actually impaired" from performing the job before taking any adverse action against the employee. The lack of a clear definition would force a delay in disciplinary actions used to protect workplace safety and drive up costs due to increased litigation.

In addition, the act threatens state and federal contracts and grants. If passed, this initiative could result in employers losing public contracts and grants because they could no longer effectively enforce the drug-free workplace requirements outlined by the federal government.

More Information
www.noonproposition19.com.

Proposition 20



Redistricting of Congressional Districts. Initiative Constitutional Amendment.

Removes elected representatives from the process of establishing congressional districts and transfers that authority to the recently authorized 14-member redistricting commission made up of Democrats, Republicans and voters registered with neither party.

Placed on Ballot By: Petition signatures.

Reasons for Position

The measure is a critically important part of election reform, helping to make the congressional redistricting process more open, fair and transparent in

addition to increasing competition in elections. This proposed act extends the successful Proposition 11 provisions from 2008 to give the Citizens Redistricting Commission the additional authority to draw new boundaries for U.S. congressional districts in 2011.

Currently, there are 53 congressional districts in California—34 Democrat members and 19 Republican members. Only one seat has changed parties over the last decade when Democrat Jerry McNerney defeated Republican Richard Pombo in the 11th Congressional District in 2006.

More Information

www.yesprop20.org.

Proposition 21

No Position

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

Requires deposit of surcharge revenue in a new trust fund and requires that trust funds be used solely to operate, maintain and repair state parks and to protect wildlife and natural resources. Exempts commercial vehicles, trailers and trailer coaches from the surcharge. Requires annual audit by State Auditor and review by a citizens oversight committee.

Placed on Ballot By: Petition signatures.
Ballot Arguments For

California's state parks and beaches are in peril. Proposition 21 provides an immediately needed and dedicated funding source that will prevent the shutdown of parks and beaches.

It protects economic benefits to California from parks-related tourism and prohibits raiding of the funds.
www.yesforstateparks.com

Ballot Arguments Against

Proposition 21 is ballot box budgeting that will increase the car tax and enable politicians to divert money for other spending. There is no guarantee that state park funding will actually increase.
www.voteno21.com.

Proposition 22



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

Prohibits the state, even during a severe fiscal hardship, from delaying the distribution of tax revenues for transportation, redevelopment or local government projects and services.

Placed on Ballot By: Petition signatures.

Reasons for Position

The measure protects investments in transportation projects that help generate economic activity and create jobs and keeps

the state from relying on short-term borrowing to fund continued deficit spending.

This proposed initiative revokes the state's ability to borrow from local government property tax funds currently authorized by Proposition 1A of 2004 and prohibits the state from borrowing Proposition 42 funds (gas tax), which voters have dedicated to transportation and mass transit. In addition, the measure further prevents the state from redirecting or borrowing from sources of other funds established to pay for public transit and transportation projects.

More Information

www.savelocalservices.com.

Proposition 23

No Position

Suspends Implementation of Air Pollution Control Law (AB 32) Requiring Major Sources of Emissions to Report and Reduce Greenhouse Gas Emissions That Cause Global Warming, Until Unemployment Drops to 5.5 Percent or Less for Full Year. Initiative Statute. Suspends state law that requires greenhouse gas emissions be reduced to 1990 levels by 2020 until California unemployment drops to 5.5 percent or less for four consecutive quarters. Suspends comprehensive greenhouse gas reduction program that includes increased renewable energy and cleaner fuel requirements, and mandatory emissions reporting and fee requirements for major emission sources, such as power plants and oil refineries.

Placed on Ballot By: Petition signatures.

Ballot Arguments For:

Proposition 23 suspends AB 32 until the economy improves. It will save billions in higher energy taxes and costs and save jobs, while preserving California's environmental protection laws.
www.yeson23.com

Ballot Arguments Against

Texas oil companies designed Proposition 23 to kill California clean energy and air pollution standards. It jeopardizes jobs created by clean energy companies. It threatens public health with more air pollution and increases dependence on foreign oil.
factson23.com

Proposition 24



Repeals Recent Legislation That Would Allow Businesses to Lower Their Tax Liability. Initiative Statute. Repeals recent legislation that would: allow businesses to shift operating losses to prior tax years and that would extend the period permitted to shift operating losses to future tax years; allow corporations to share tax credits with affiliated corporations; and allow multistate businesses to use a sales-based income calculation rather than a combination property-, payroll- and sales-based income calculation.

Placed on Ballot By: Petition signatures.

Reasons for Position

The measure repeals recently enacted tax benefits, the elective single sales factor, net operating loss (NOL) carryback, and tax credit sharing. It also repeals the recently enacted expansion of the NOL carryover from 10 to 20 years.

More Information
www.stopprop24.com.

Proposition 25



Changes Legislative Vote Requirement to Pass Budget and Budget-Related Legislation From Two-Thirds to a Simple Majority. Retains Two-Thirds Vote Requirement for Taxes. Initiative Constitutional Amendment. In addition to changing the legislative vote requirement to pass the budget and spending bills related to the budget from two-thirds to a simple majority, provides that legislators will permanently forfeit daily reimbursement for salary and expenses until budget bill passes.

Reasons for Position

This proposed measure will give the majority party too much power and eliminate the option of referendum for fees or fee increases that are part of a budget appropriation.
The measure exempts the budget bill and other bills providing for appropriations related to the budget bill from the existing two-thirds vote requirement, and provides that those take effect immediately.

More Information
www.no25yes26.com.

Placed on Ballot By: Petition signatures.

Proposition 26



Requires That Certain State and Local Fees Be Approved By Two-Thirds Vote. Fees Include Those That Address Adverse Impacts on Society or the Environment Caused by the Fee-Payer’s Business. Initiative Constitutional Amendment.

Requires that certain state fees be approved by two-thirds vote of the Legislature and certain local fees be approved by two-thirds of the voters. Increases legislative vote requirement to two-thirds for certain tax measures, including those that do not result in a net increase in revenue, currently subject to majority vote.

Placed on Ballot By: Petition signatures.
Reasons for Position

The measure closes a loophole in the law that allows the Legislature to raise, by a majority vote rather than the required two-thirds vote, taxes on products and services simply by calling them “fees” instead of “taxes.”

Hidden taxes and fees work against job creation, driving businesses out of our state and forcing many small businesses to close.

More Information
www.no25yes26.com.

Proposition 27



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

Eliminates 14-member redistricting commission. Consolidates authority for establishing state Assembly, Senate and Board of Equalization district boundaries with elected state representatives responsible for drawing congressional districts.

Reasons for Position

This initiative overturns the California Voters First Act reform (Proposition 11 of 2008), which the CalChamber supported. Proposition 11 allows the voters to select their elected representatives.

The CalChamber believes California cannot afford to return to a system where the politicians select their voters. Although Proposition 11 is not popular with politicians, it is strongly supported by a bipartisan coalition of consumer, senior, public interest, taxpayer, community and business groups.

Placed on Ballot By: Petition signatures.

More Information
www.noprop27.org.

CalChamber Positions on November Ballot Propositions

Proposition	Subject	Position
Proposition 18	Safe, Clean and Reliable Drinking Water Supply Act of 2010	Moved to 2012 ballot
Proposition 19	Regulate, Control and Tax Cannabis Act of 2010	Oppose
Proposition 20	Redistricting of Congressional Districts—Voters FIRST Act for Congress	Support
Proposition 21	\$18 Vehicle License Surcharge to Help Fund State Parks/Wildlife Programs	No Position
Proposition 22	Local Taxpayer, Public Safety and Transportation Protection Act	Support
Proposition 23	Suspends Implementation of Air Pollution Control Law (AB 32)	No Position
Proposition 24	Repeal Corporate Tax Loopholes Act	Oppose
Proposition 25	On Time Budget Act of 2010	Oppose
Proposition 26	Stop Hidden Taxes Initiative	Support
Proposition 27	Eliminates State Commission on Redistricting	Oppose