



# PROS & CONS

Press Date: September 1, 2018

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The *Pros & Cons* is a nonpartisan explanation of state propositions, with supporting and opposing arguments. The arguments come from many sources and are not limited to those presented in the *Official Voter Information Guide*. The LWVCEF does not judge the merits of the arguments or guarantee their validity.

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## League of Women Voters of California Education Fund

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## General Election • November 6, 2018

At this election, California voters will choose the governor, lieutenant governor, secretary of state, controller, treasurer, attorney general, insurance commissioner, and superintendent of public instruction for the next four-year term, elect one of two U.S. senators to represent the state in Congress, and elect state and federal legislative representatives.

California voters will also be deciding on 11 state propositions that are explained in this *Pros & Cons*. Propositions 1, 2, and 7 were placed on the ballot by the state legislature and the others were placed on the ballot by supporters who gathered sufficient signatures and seek to make changes in state laws or the California Constitution. One initiative, Proposition 9, was removed from the November 6, 2018 ballot by the California Supreme Court.

Visit [VotersEdge.org/ca](http://VotersEdge.org/ca) to see everything on your ballot, find your polling place, and get unbiased information on all your voting choices.

## How to Evaluate Ballot Propositions

- ★ Examine what the measure seeks to accomplish. Do you agree with those goals?
- ★ Is the measure consistent with your ideas about government? Do you think the proposed changes will make things better?
- ★ Who are the real sponsors and opponents of the measure? Check where the money is coming from on the Voter's Edge California website: [votersedge.org/ca](http://votersedge.org/ca)
- ★ Is the measure written well? Will it create conflicts in law that may require court resolution or interpretation? Is it "good government," or will it cause more problems than it will resolve?
- ★ Does the measure create its own revenue source? Does it earmark, restrict, or obligate government revenues? If so, weigh the benefit of securing funding for this measure against the cost of reducing overall flexibility in the budget.
- ★ Does the measure mandate a government program or service without addressing how it will be funded?
- ★ Does the measure deal with one issue that can be easily decided by a YES or NO vote? Or, is it a complex issue that should be thoroughly examined in the legislative arena?
- ★ If the measure amends the Constitution, consider whether it really belongs in the Constitution. Would a statute accomplish the same purpose? All constitutional amendments require voter approval; what we put into the Constitution would have to come back to the ballot to be changed.
- ★ Be wary of distortion tactics and commercials that rely on image but tell nothing of substance about the measure. Beware of half truths.

## Authorizes Bonds to Fund Specified Housing Assistance Programs.

**THE QUESTION:** Should the state issue \$4 billion in bonds for housing programs for low-income residents, veterans, farmworkers, plus for mobile homes and transit-oriented housing?

### THE SITUATION

An average house in California cost 2.5 times the national average and average rent in California is about 50% higher than the national average. About 100,000 houses and apartments are constructed each year in California, most by private interests, and not by the government. In some instances, the state provides assistance with grants or low-cost loans for construction of housing to be sold or rented to low income individuals. California also receives about \$2 billion each year from the federal government to support housing projects.

General obligation bonds are sold to investors and repaid from the State's General Fund. The State repays the principal and interest over time, approximately thirty-five years for these bonds. A general rule is that principal and interest payments usually are about twice the principal amount of the bonds. Bonds used to fund home loans for veterans are repaid by the veterans through their mortgage payments.

### THE PROPOSAL

Proposition 1 permits the state to issue \$4 billion in new general obligation bonds for the following housing programs:

- \$1.8 billion for building or renovating affordable multifamily housing (apartments)
- \$450 million for infrastructure (parks, water, sewage and transportation) to support housing construction
- \$450 million for down payment assistance to low and moderate-income home ownership
- \$300 million for farmworker housing (rental and owner-occupied)
- \$1 billion for home loans to eligible veterans.

This proposal would provide assistance to 30,000 multifamily and 7,500 farmworker households as well as home loans to about 3,000 veterans.

### FISCAL EFFECTS

The cost to taxpayers for \$3 billion in bonds would be about \$5.9 billion over a 35 year period or approximately \$170 million a year in order to pay back both the principal and the interest on the general obligation bonds. The \$1 billion set aside for veterans' assistance is repaid as the veterans pay off their loans.

### SUPPORTERS SAY

- Proposition 1 provides relief from the housing crisis by building some housing and helping those who struggle to buy housing.
- The measure honors veterans by helping them to buy a home.

### OPPONENTS SAY

- Proposition 1 will help a very limited number of persons.
- Californians are being asked to borrow more money through these bonds, which will end up costing everyone.

### FOR MORE INFORMATION

**Supporters:** [VetsAndAffordableHousingAct.org](http://VetsAndAffordableHousingAct.org)

**Opponents:** At press time, there is no known campaign in opposition to this proposition.

#### More Information on Bonds

For more information on bonds, see Overview of State Bond Debt in the *Official Voter Information Guide*, Page 72

[VoterGuide.sos.ca.gov](http://VoterGuide.sos.ca.gov)

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

**THE QUESTION:** Should \$2 billion in bonds be issued and the Mental Health Services Act be amended to fund the No Place Like Home Program?

### THE SITUATION

In 2004, California voters approved Proposition 63 (Prop. 63) which was also called the Mental Health Services Act. It provided funding for county mental health services by increasing the income tax paid by people with an income over \$1 million. Counties are responsible for providing mental health care for people that lack private health insurance. Some counties also provide for other housing, substance abuse treatment and other services for those suffering mental illness

The Legislature passed the No Place Like Home Act of 2016 (NPLHA). This Act authorizes \$2 billion in bonds for use by counties for permanent supportive housing to house people who are eligible for treatment under Prop. 63 and are homeless or at risk of chronic homelessness. The bonds were to be paid off with interest over 30 years using money from the revenue raised by Prop. 63. A system for awarding the bond money to counties and for establishing programs to use it was also created by these bills.

No bonds were issued under the NPLHA because the state must ask for a court decision that the legislation is within the scope of Prop. 63 in extending housing to people with substance abuse and other issues rather than for severely mentally ill patients. The court is to determine if voters must approve the bond. The court decision is pending.

### THE PROPOSAL

This proposition approves the No Place Like Home Act of 2016 and approves the issuance of \$2 billion in bonds to support the program. It also amends the provisions of Prop. 63 to allow use of the revenue for NPLHA. No more than \$140 million each year can be used for this program.

### FISCAL EFFECTS

There is no direct impact on the state budget because the bonds would be paid back up to \$140 million annually from the funds generated by Prop. 63 to repay up to \$2 billion in bonds used to pay for the No Place Like Home programs. It is estimated that the bonds would be paid off in 30 years at 4.2% interest for approximately \$120 million each year.

### SUPPORTERS SAY

- Prop. 2 alleviates the problem of homelessness complicated by mental illness.
- Supportive housing allows coordinated care of individuals who need treatment and housing stability.
- This uses funds already earmarked for mental health services.

### OPPONENTS SAY

- Prop. 2 spends money on buildings instead of on badly needed treatment.
- Counties already use Prop. 63 revenue to offer housing to severely mentally ill patients.
- Restrictive zoning laws that make it difficult to build housing is not addressed.

### FOR MORE INFORMATION

**Supporters:** Yes on Props 1&2 Coalition

This proposition is on the ballot by action of the Legislature and the Governor.

[CAYesOnProp2.org](http://CAYesOnProp2.org)

**Opponents:** At press time, there is no known formal campaign in opposition to this Proposition.

### Choosing YES or NO on a Proposition

A YES vote means that you approve of the change a proposition would make, and a NO vote means that you want to leave things as they are now.

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

**THE QUESTION:** Should the State sell \$8.9 billion in bonds to fund projects related to water supply and quality, watershed and fisheries restoration, habitat protection, water conveyance and groundwater sustainability and storage?

### THE SITUATION

California's water supply faces challenges. The amount and location of available water varies widely from year to year. Unusually wet or dry years can result in local flooding or water shortages. Water may be polluted and unsuitable for any use.

Various government agencies in California spend about \$30 billion annually in the water sector. Over three-quarters of that is spent locally and largely paid for by individual ratepayers for water and sewage treatment plants and cleanup of storm runoff. The State and Federal government play a role by creating regional water supply infrastructure and by setting and enforcing water quality standards.

Over the past 17 years voters have approved \$31 billion in general obligation bonds for various natural resource projects, including \$4.1 billion from Prop. 68 in June 2018. The State has several billion dollars available from those measures, mostly to be used for water quality, supply and infrastructure purposes authorized by Proposition 1 in 2014. The principal and interest on general obligation bonds are repaid from the State's General Fund, usually over 40 years.

### THE PROPOSAL

This measure authorizes \$8.9 billion in general obligation bonds for various water-related programs and projects. The proposition's broad spending categories include:

- Water supply and quality - \$ 2.1 billion;
- Fish and wildlife habitat \$1.4 billion;
- Water facility upgrades for specific projects in the Central Valley, Bay Area, and Oroville Dam, - \$1.2 billion;
- Groundwater recharge and storage projects - \$1.1 billion.
- Watershed land improvements - \$2.5 billion

Most funds will be distributed as grants to agencies that must provide equal matching funds. The measure provides reduced cost-sharing requirements for projects benefiting disadvantaged communities.

### FISCAL EFFECTS

Bond repayment is expected to cost the State an estimated \$17.3 billion over 40 years. The effect on local governments will depend on the size of any grant received. Savings are recognized because a grant reduces the local share of a project's cost. However, a project could also increase future operating costs, such as for a new desalination facility. The annual net effect on local governments and ratepayers is likely to be small.

### SUPPORTERS SAY

- Proposition 3 will fund projects to help increase water supply from a variety of sources such as storm water capture and desalination.
- It will help insure that disadvantaged communities can access safe drinking water.
- Watershed restoration will improve water quality and protect agricultural interests.

### OPPONENTS SAY

- We need more dams to collect rain and snow melt from the Sierras. Proposition 3 provides no money for new dams.
- It panders to special interests by making recreation and wildlife a priority over farmers.
- Paying back these new bonds will result in raised taxes.

### FOR MORE INFORMATION

**Supporters:** Californians for Safe Drinking Water and a Clean and Reliable Water Supply

[WaterBond.org](http://WaterBond.org)

**Opponents:** At press time, there is no known formal campaign in opposition to this Proposition.

### More Information on Bonds

For more information on bonds, see Overview of State Bond Debt in the *Official Voter Information Guide*, Page 72

[VoterGuide.sos.ca.gov](http://VoterGuide.sos.ca.gov)

## AUTHORIZES BONDS FUNDING CONSTRUCTION AT HOSPITALS PROVIDING CHILDREN'S HEALTH CARE

**THE QUESTION:** Should the State of California issue \$1.5 billion in general obligation bonds to expand and improve the buildings and equipment at children's hospitals?

### THE SITUATION

Children's hospitals provide specialized physical and mental healthcare services to infants and children. There are eight private nonprofit hospitals, five University of California children's hospitals, and more than 100 other nonprofit hospitals that serve children with complex chronic health conditions eligible for the California Children's Services program. Over half the patients receive Medi-Cal benefits. Only a small amount of funding remains from the previous bonds and is expected to be used by mid 2018.

### THE PROPOSAL

Prop. 4 would raise \$1.5 billion through the sale of general obligation bonds and use the funds to improve and expand children's hospitals. The money could be used to build new facilities, to improve and expand current facilities, and to purchase new equipment. To obtain funding a hospital would apply to the California Health Facilities Financing Authority of the State Treasurer's Office which would award the grants based on factors such as improving healthcare access and patient outcomes. The 8 private nonprofit children's hospitals would be eligible for 72% of the funds. The rest of the funds would go to University of California children's acute care centers and to nonprofit hospitals that care for children eligible for governmental programs.

### FISCAL EFFECTS

The State would need to repay a total of \$2.9 billion. The \$2.9 billion is made up of the original \$1.5 billion bond and \$1.4 billion in interest to be paid back over 35 years. The yearly repayment amount is approximately \$80 million.

### SUPPORTERS SAY

- Prop. 4 helps over 2 million sick children each year and leads to better health outcomes.
- Previous bonds have been used to add more beds and purchase new technology.

### OPPONENTS SAY

- The bond would need to be repaid, potentially through higher taxes.
- We should first look at improving the entire healthcare system including lowering costs

### FOR MORE INFORMATION

**Supporters:** [YesOnProposition4.org](http://YesOnProposition4.org)

**Opponents:** At press time, there is no known formal campaign in opposition to this Proposition.

**General Election • Tuesday, November 6, 2018**  
Polls open 7:00 a.m. to 8:00 p.m.

**October 22**  
Last day to register to vote

**October 8 - October 30**  
Mailing period for Vote-by-Mail Ballots

(Request your ballot before the **October 30** deadline)



## Changes Requirements for Certain Property Owners to Transfer Their Property Tax Base to Replacement Property.

**THE QUESTION:** Should the California constitution be amended to increase the ability of certain homeowners to obtain tax relief by transferring their Prop. 13-related tax base to a replacement property?

### THE SITUATION

Taxes based on the value of real property provide a major revenue source for local governments, schools, and special districts. Such taxes equal a property's assessed value times the applicable tax rate. Proposition 13, as amended, limits property taxes by limiting both value and rates. The tax rate is capped at 1% of the assessed value, which can grow annually by no more than 2%. Reassessment to market value is required for newly purchased or newly constructed property, or if ownership changes.

Exemptions from these reassessment triggers are allowed for homeowners over the age of fifty-five or who have a severe disability. They may transfer the assessed value of a prior home to a replacement residence of equal or lesser market value. The new home must have been purchased within two years of selling the prior home and be located within the same county or in another that permits inter-county transfers. This exemption can be used only once.

### THE PROPOSAL

Prop. 5 would expand a homeowner's ability to transfer assessed value to a new home. The market value of the replacement home could be greater or lesser than that of the prior home. The transferred value will be adjusted through the use of a formula. It would be increased if the new home is worth more, or decreased if it is worth less. An increased value will still be less than that based on the current market value. The house could be anywhere in California and the homeowner is not limited to a single exemption. The new home still must be the owner's principal residence and be acquired within two years of the original home's sale. Prop. 5 also applies to situations in which the original property is damaged by a declared disaster or made unusable by contamination.

### FISCAL EFFECTS

**Local governments.** Prop. 5 would have a net effect of reducing local revenue by about \$100 million per year at first, growing to \$1 billion over time. Increased sales would generate property transfer taxes of tens of millions of dollars, while county administrative costs would rise by tens of millions of dollars at first.

**Schools.** Annual reduction in school revenue would begin at about \$100 million and grow to \$1 billion. Most school losses would be offset by equivalent increases in state funding, thereby increasing State spending by the same amounts.

### SUPPORTERS SAY

- Older adults on fixed incomes need this protection.
- More houses will become available for younger families.
- Prop. 5 will protect Prop. 13 tax reductions.

### OPPONENTS SAY

- Essential local services and schools will be affected.
- Loss of local revenue will become worse every year.
- Seniors already receive Prop. 13 protection.

### FOR MORE INFORMATION

**Supporters:** Homeownership for Families and Tax Saving for Seniors

At press time, there is no active website.

**Opponents:** No on Prop. 5

At press time, there is no active website.

#### Who can vote?

You may register to vote in California if:

- You are a U.S. citizen and California resident.
- You will be at least 18 years old on election day.
- You are not in prison or on parole for a felony.
- You have not been judged mentally incompetent.

#### When must you re-register to vote?

You need to fill out a new voter registration form if:

- You change your residence address or mailing address.
- You change your name.
- You want to change your political party affiliation.

***If you registered and your name does not appear on the voter list at your polling place, you have a right to cast a provisional ballot at any polling place in your county.***

**Eliminates Certain Road Repair and Transportation Funding. Requires Certain Fuel Taxes and Vehicle Fees be Approved by the Electorate.**

**THE QUESTION:** Should the increase in vehicle fuel taxes and fees enacted by the Legislature in 2017 be reversed and should the Constitution be amended to require voter approval of any transportation related taxes and fees?

**THE SITUATION**

In 2017 lawmakers passed the Road Repair and Accountability Act (SB 1) increasing state funding for transportation purposes from \$6.6 billion in 2016-17 to \$12.1 billion in 2018-19. By 2020-21 when all the taxes will have been in effect, SB 1 revenue is estimated to total \$5.1 billion annually.

On November 1, 2017 State fuel excise taxes per gallon increased 12 cents for gasoline and 20 cents for diesel. Diesel State sales tax increased by 4 percent. A new transportation fee was added to the cost of registering a vehicle, including a fee for electric cars starting in 2020. After July 1, 2020, fuel excise taxes will be adjusted for inflation.

Voters restricted the new SB 1 tax revenues to transportation purposes by approving Prop. 69 in June 2018.

In March 2018 US News & World Report rated California 49th in road quality, 11th in bridge quality, and 46th in commute times among the fifty states.

**THE PROPOSAL**

Prop. 6 would:

- Repeal the fuel tax increases and vehicle fees enacted by SB 1.
- Amend the State Constitution to require any future legislatively-imposed taxes on fuels and vehicles to take effect only if the voters of the state vote to approve it.

**FISCAL EFFECTS**

If Prop. 6 is approved, SB 1 transportation tax revenues will be reduced in 2018-19 from \$4.4 billion to \$2 billion. After that time SB 1 will no longer exist and transportation tax revenue will be reduced by \$5.1 annually. According to the Legislative Analyst, the loss of funding will affect state highway maintenance and rehabilitation, local streets and roads, and mass transit.

Adding the requirement that most transportation-related taxes must also be approved by the voters will make it more difficult to impose such changes in the future.

**SUPPORTERS SAY**

- Gas taxes and fees are too high, fall the hardest on hardworking families, and are unnecessary in a state that has a budget surplus.
- One third of the gas tax increase will be diverted to non-road related pet projects including building parks and training for formerly incarcerated felons through the Workforce Development Board.
- Tax increases on gasoline that directly affect people’s lives are “too big” for just the governor and Legislature to decide.

**OPPONENTS SAY**

- Cracked, potholed roads pose a major safety threat to California drivers; 89% of counties have roads in poor or at-risk condition and more than 1600 bridges and overpasses are structurally unsafe.
- Reliable transportation infrastructure is critical to get Californians to work, move goods and services to the market, and support our economy.
- Requiring voter approval of fuel taxes or vehicles fees already passed by a supermajority in the Legislature risks the unintended consequences of ballot box budgeting.

**FOR MORE INFORMATION**

**Supporters:** Give Voters a Voice

[GiveVotersAVoice.com](http://GiveVotersAVoice.com)

**Opponents:** No on Prop. 6

[NoProp6.com](http://NoProp6.com)

**Choosing YES or NO on a Proposition**

A YES vote means that you approve of the change a proposition would make, and a NO vote means that you want to leave things as they are now.

## Conforms California Daylight Savings Time to Federal Law. Allows Legislature to Change Daylight Savings Time Period.

**THE QUESTION:** Should the legislature be allowed to change Daylight Savings Time by a two-thirds vote if federal law authorizes it?

### THE SITUATION

Part-year Daylight Savings Time was started during World War II in order to save energy. California voters approved it in 1949 and for that reason, the voters would have to vote to authorize the legislature to change it to year-round.

Federal law requires states to have Daylight Savings Time from early March to early November and standard time the rest of the year (about four months). However, states are permitted to have standard time all year, without federal approval. Hawaii and Arizona stay on standard time all year. In order for a state to switch to year-round Daylight Savings Time, Congress and the President must approve the proposal.

### THE PROPOSAL

Prop. 7 is both an advisory measure and a change in law. It encourages the legislature to consider instituting year-round Daylight Savings Time. It would change current law by requiring a two-thirds vote of the Legislature to change the period of Daylight Savings Time, to make it year round, or to stay on standard time. However, even if two-thirds of the legislature passes such a bill, the change to year-round Daylight Savings Time would still have to be approved by a vote of Congress and a Presidential signature.

### FISCAL EFFECTS

The proposition has no direct fiscal impact on state and local government because the legislature and the federal government still must act on it. If the change is made, there could be a minor fiscal impact that is unknown at this time.

### SUPPORTERS SAY

- Medical studies show that the risk of heart attacks and strokes increases during the days following a time change.
- Changing clocks twice a year increases our use of electricity by 4%, increases the amount of fuel used by cars and costs \$434 million.

### OPPONENTS SAY

- The United States tried year-round Daylight Savings Time in 1974 because of the energy crisis. People hated getting up in the dark in the morning.
- There are no conclusive studies that having Daylight Savings Time year-round saves energy or money.

### FOR MORE INFORMATION

**Supporters:** This proposition is on the ballot by action of the Legislature and the Governor. At press time, there is no known formal campaign in support of this Proposition.

**Opponents:** At press time, there is no known formal campaign in opposition to this Proposition.

### Looking for more information on the propositions?

#### Official Voter Information Guide

[VoterGuide.sos.ca.gov](http://VoterGuide.sos.ca.gov)

Read nonpartisan analysis, arguments for and against, and even the full text of the proposed law.

#### Voter's Edge

[VotersEdge.org/ca](http://VotersEdge.org/ca)

Type in your address for comprehensive information about everything on your ballot.  
Look up who is giving money to the YES and NO campaigns



## Regulates Amounts Outpatient Kidney Dialysis Clinics Charge for Dialysis Treatment

**THE QUESTION:** Should outpatient dialysis clinics be required to rebate money to private insurers if their revenue exceeds allowable costs by more than 15%?

### THE SITUATION

People suffering from End Stage Renal Disease, the final stage of kidney disease, must receive dialysis to survive. Dialysis filters out waste and toxins from blood. It is typically done in a chronic dialysis clinic three times a week with each treatment lasting up to four hours each time. These clinics are licensed by the California Department of Public Health (DPH) using federal certification standards.

Approximately 588 licensed clinics operate in California. The majority of the clinics are owned and run by one of two private for-profit companies. Estimated annual revenue of the private companies is \$3 billion. Most dialysis is paid for by Medicare and Medi-Cal. These programs pay a fixed rate established by the regulations and are close to the average cost of treatment. Private insurance also covers dialysis with payment rates fixed by negotiation with the providers. On average those rates are multiple times higher than that paid by the government programs.

### THE PROPOSAL

This proposition requires the companies that own clinics to rebate certain payers, mostly private insurance companies, if the clinic chains' corporate annual revenues are more than 15 % higher than a cap defined in the proposition. The cap is based on the total allowable costs of "direct patient services care" and "health care quality improvement costs." The costs of non-managerial staff salary and benefits, drugs and medical supplies, staff training, patient education, and electronic health information systems fall within the cap. Certain staff such as medical directors and nurse managers are required by federal law. It is not clear if such staff falls within the allowable cost category.

Adjustments to the amount of the cap are allowed if the clinic owner operators prove to a court that the revenue cap is so low that it is an unconstitutional taking of the value of the business. The challenger bears the burden of proving what cap would be appropriate.

### FISCAL EFFECTS

The fiscal impacts of this proposition are dependent upon the response of the clinics to it and on interpretations of what allowable costs are by the DPH and the courts. It appears that initially rebates will be paid which reduces the profits of the clinics. The impact on state and local governments varies from a net savings of tens of millions of dollars to a similar net cost.

### SUPPORTERS SAY

- Prop. 8 provides incentive for dialysis clinic companies to lower their costs and improve the quality of patient care.
- When insurance companies are charged less for dialysis the overall cost of insurance will decrease for everyone.

### OPPONENTS SAY

- Prop. 8 sets arbitrary limits on what insurance companies pay for dialysis treatment will not cover the complete cost of running a clinic.
- Clinics will reduce operations or close, depriving patients of access and increasing the risk of poor medical outcomes.

### FOR MORE INFORMATION

**Supporters:** Californians for Kidney Dialysis Patient Protection  
[YesOn8.com](http://YesOn8.com)

**Opponents:** No on Prop. 8: Stop the Dangerous Dialysis Proposition  
[NoProp8.com](http://NoProp8.com)

**Prop. 9 was removed from the November 6, 2018 ballot by the California Supreme Court.**

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

**THE QUESTION:** Should the current state law that limits the scope of city and county rent-control ordinances be repealed, thereby allowing cities and counties more authority to limit the rental rates that residential property owners may charge for new tenants, new construction, and single-family homes?

### THE SITUATION

Thirty years ago 14 cities, mostly in the highly populated parts of California, adopted rent control ordinances designed to limit the amounts and frequency with which landlords could increase rents to their existing tenants.

In 1995 the state legislature adopted the Costa Hawkins Rental Housing Act. This law limited the ordinances so that the rent on single family homes and buildings first rented out in 1995 or later could not be controlled. Landlords could raise rent to market rates if a tenant left the rental property.

Court decisions determined that limits on rent increases must not be so low that landlords do not receive a "fair rate of return" on their investments. In other words, the landlords must be allowed to raise rent enough to receive some profit each year.

Renters in California pay 50% more than the national average. About 20% of Californians live in cities that have rent control. In the last two years more cities are seeking to establish rent control ordinances. So far two have done so. Other cities placed rent control initiatives on their local ballots that did not pass.

### THE PROPOSAL

This proposition repeals the Costa Hawkins Rental Act. It allows cities and counties to regulate rents for whatever type of housing property they choose, no matter when it was built or what type of building it is. It does not change existing rent control laws. It does not create rent control laws. The proposition retains the landlord's right to a fair rate of return on their investment.

### FISCAL EFFECTS

The fiscal impact of this proposition is difficult to predict because it depends upon the content of any rent control ordinances adopted and upon the reaction of landlords and tenants to them. If rent control is expanded it is likely that landlords will reduce the amount of rental housing offered, the value of rental housing decreases, some renters will pay less for rent, and landlords have less income from rental housing. There will be impact on property, sales, and income tax revenues. Overall, the impact on state and local governments will be reduced revenue in the tens to hundreds of millions of dollars each year. The losses could be less or more.

### SUPPORTERS SAY

- The high cost of rent hurts seniors, families and anyone with a low or fixed income. This proposition will protect them.
- This proposition will allow local communities to decide whatever makes sense for their rental housing issues.

### OPPONENTS SAY

- Rent control laws reduce the amount of rental property available because landlords will stop renting and does not encourage more building.
- This proposition allows the creation of new local bureaucracies with power to regulate rents on all types of residential property.

### FOR MORE INFORMATION

**Supporters:** Yes on 10

[AffordableHousingAct.org](http://AffordableHousingAct.org)

**Opponents:** No on Prop. 10

[NoProp10.org](http://NoProp10.org)

**More information is only a mouse-click away.**

Visit our website, [CAvotes.org](http://CAvotes.org), for more information about the ballot measures, answers to your questions about voting, and a wealth of information on government and public policy. You can see a list of local Leagues in your community, many of which provide ballot measure speakers and candidate forums. We encourage you to sign up and become a member, and to donate or volunteer.



## Requires Private-Sector Emergency Ambulance Employees to Remain on Call During Work Breaks. Changes Other Conditions of Employment.

**THE QUESTION:** Should the Labor Code be amended to allow private ambulance employees to remain on call during work breaks and to exempt their employers from potential liability for violations of existing law regarding work breaks?

### THE SITUATION

California counties oversee local Emergency Medical Services (EMS). Private ambulance providers (Providers) enter into contracts to perform EMS in a specific area, subject to performance requirements. Periodic contract renegotiations address changes in Providers' costs. Ambulances are geographically positioned based on service demand. When an ambulance is dispatched, other area ambulances are repositioned.

Historically EMS personnel remain "on call" during work breaks, which are often interrupted by 911 calls or repositioning. In a 2016 case (Augustus) involving private security guards required to remain "on call" during rest breaks, the California Supreme Court held that such breaks do not comply with state labor law; rather they must be off-duty and uninterruptible (even in an emergency). The security guards were awarded penalties and damages.

Given the similarity between EMS personnel and Augustus, it appears probable that Provider personnel practices must change. Providers estimate that, relative to current practice, 25 percent more ambulances would be required to meet the requirements of Augustus.

### THE PROPOSAL

Prop.11 would amend state labor laws applicable to Providers' personnel, allowing them to remain on call throughout their breaks. It also would change several other rules regarding meal and rest breaks, while requiring Providers to operate enough ambulances to meet performance requirements.

Prop.11 would limit legal liability that Providers might face if the Augustus decision is applied to Providers' personnel. Several lawsuits regarding the work break practices for ambulance employees are in the court system. The on call rules established by this proposition would be applied retroactively to such lawsuits. The measure also requires ambulance providers to offer EMS personnel additional training, education, counseling and services.

### FISCAL EFFECTS

The fiscal effects of Prop.11 are calculated on the assumption that Augustus will be held to apply to Provider personnel, including past period legal liability.

Prop. 11 would relieve Providers of the cost of operating more ambulances to cover off-duty breaks—potentially over \$100 million annually. Other provisions might require Providers to ensure that there are more ambulances in an area. Providers that do not offer training and education at the levels required under Prop. 11 would have new costs, likely in the low tens of millions of dollars annually.

Prop. 11 will result in local government net savings, likely in the tens of millions of dollars annually, due to lower emergency ambulance contract costs.

### SUPPORTERS SAY

- Prop. 11 establishes into law the longstanding industry practice of paying medical personnel to be on call during their work breaks.
- It is essential that emergency personnel are able to respond quickly and deliver lifesaving medical care during mass casualty events. Prop. 11 mandates that such personnel receive additional training to meet emergency standards.

### OPPONENTS SAY

No arguments have been filed against Prop. 11

### FOR MORE INFORMATION

**Supporters:** Yes on 11—Californians for Emergency Preparedness & Safety

[YesOn11.org](http://YesOn11.org)

**Opponents:** At press time, there is no known campaign in opposition to this proposition.

### Vote Requirement for State Propositions

Any state proposition passes if more than 50 percent of the votes cast on that proposition are YES.

## Establishes New Standards for Confinement of Certain Farm Animals. Bans Sale of Certain Non-Complying Products.

**THE QUESTION:** Should the State revise its current farm animal confinement laws with new confinement space standards for egg-laying hens, pregnant pigs, and calves raised for veal, and prohibit the sale of eggs and meat that do not comply with these standards, including those produced in other states?

### THE SITUATION

In 2008 California voters approved a ballot initiative to ban the confinement of egg-laying hens, pregnant pigs, and calves raised for veal in a manner that did not allow them to “turn around freely, lie down, stand up, and fully extend their wings or limbs.” The law took effect in 2015, but problems arose, including complaints that the description of approved confinement space was too vague, and a lack of clarity about implementation and enforcement.

### THE PROPOSAL

Proposition 12 would:

- By 2020, comply with the specific standard measurements set out in the proposition for cages of egg-laying hens, and calves raised for veal.
- By 2020, ban the sale of eggs and meat in which egg-laying hens, breeding pigs, and calves raised for veal are confined in areas smaller than a specific measurement by square feet, whether produced within California or originating in other states.
- By 2022, require that egg-laying hens in California be housed in cage-free housing systems, and that eggs from other states conform to California’s confinement standards in order to be sold in California.
- Designate the California Department of Food and Agriculture and the California Department of Public Health jointly responsible for the measure’s implementation.

### FISCAL EFFECTS

- Potential decrease in state income tax revenues from farm businesses due to expenses incurred to meet the space requirements, likely not more than several million dollars annually costs up to \$10 million annually to enforce the measure.
- State costs up to \$10 million annually to enforce the measure.
- Consumer prices likely to increase for eggs, pork, and veal while farmers in California and other states change their housing systems to meet the measure.

### SUPPORTERS SAY

Proposition 12 would:

- Strengthen and clarify California’s decade-old farm animal anti-cruelty law.
- Prevent egg-laying hens, breeding pigs, and veal calves from being housed inhumanely in small cages for their entire lives.
- Reduce the risk of people being sickened by food poisoning and factory farm pollution by preventing overcrowding of animals in small spaces.

### OPPONENTS SAY

Proposition 12:

- Is not a truly cruelty-free alternative to current factory farm practices.
- Would face court or legislative challenges from other states regarding the ban on selling non-conforming eggs and meat.
- Mandates full compliance by 2022, a too-narrow time frame that could result in supply disruptions, price spikes, and shortages of eggs, pork products, and veal.

### FOR MORE INFORMATION

**Supporters:** Prevent Cruelty California  
[PreventCrueltyCA.com](http://PreventCrueltyCA.com)

**Opponents:** Californians Against Cruelty, Cages, and Fraud  
[NoOnProposition12.org](http://NoOnProposition12.org)

### Choosing YES or NO on a Proposition

A YES vote means that you approve of the change a proposition would make, and a NO vote means that you want to leave things as they are now.