



# LOS ANGELES SOUTH CHAMBER OF COMMERCE

## California Propositions (2020)

PROPOSITION 15 .....	2
PROPOSITION 19 ( ASSEMBLY CONSTITUTIONAL AMENDMENT 11 ) .....	5
PROPOSITION 20.....	8
PROPOSITION 21 .....	10
PROPOSITION 22.....	12
PROPOSITION 23.....	14



## CALIFORNIA BALLOT MEASURE - PROPERTY TAX

### PROPOSITION 15

Increases Funding Sources for Public Schools, Community Colleges, and Local Government Services by Changing Tax Assessment of Commercial and Industrial Property

**Recommended Position: Oppose**

#### **PURPOSE**

- **Increased Tax on Properties** - Property taxes on most commercial properties collectively worth more than \$3 million would go up in order to provide new funding to local governments and schools.
- **Increased Funding** - Increase funding sources for K-12 public schools, community colleges, and local governments by requiring commercial and industrial real property to be taxed based on current market value, instead of purchase price.
- **Additional Support to Schools** - Any additional education funding will supplement existing school funding guarantees.
- **Exemptions** - Exempts from taxation changes: residential properties; agricultural land; and owners of commercial and industrial properties with combined value of \$3 million or less. Exempts small

businesses from personal property tax; for other businesses, provides more than \$500,00 exemption.

## IMPACT

- **Largest Tax Increase** - Will be the largest tax increase in California history - up to \$12.5 billion per year.
- **First Step in Ending Prop 13** - This is the first step in ending Prop 13 for everyone. Promoters made it clear they are going for homeowners next.
- **Repeals Prop 13 Protections** - Prop. 15 will repeal taxpayer protections in Prop. 13. Prop. 13 protections have kept property taxes affordable by capping property taxes and limiting increases annually, providing taxpayers certainty they can afford their property taxes now and into the future.
- **Higher Rents** - Higher taxes will raise rents for small businesses. At a time when small businesses are barely getting by due to the pandemic, promoters want to give them another reason to stress out.
- **Small Businesses Are Not Protected** - Nothing in Prop. 15 stops the tax from being passed on to small business tenants. This will make the current economic crisis worse by devastating and adding more pressure on neighborhood small businesses.
- **No Immediate Resolution & Long-term Consequences** - Does not solve the immediate crisis and will make the long-term crisis worse for many rural counties. Immediate relief is not provided for government budgets affected by COVID-19. Not all governments are guaranteed new money. Governments in rural areas can end up losing money.
- **Farmers** - The increase in taxes for family farmers will result in higher costs for food.
- **Increased Necessity Costs** - Prop. 15 will raise the cost of living on everything people buy, including groceries, fuel, utilities, day care and health care.
- **Low Priority on Schools** - Promoters always love to title schools in front of a ballot, even though the revenue from Prop 15 will only be 30% to schools, with the remaining 70% going to state and local governments on whatever they want.
  - There is no education reforms and zero requirements that any of the new tax money will be used to improve school performance, reduce class size, or expand after school programs. Instead it can be spent on administrative staff and outside consultants.
- **Lacks Accountability** - Prop. 15 lacks accountability. \$1 billion each year will go in bureaucratic expenses, and politicians can spend the higher property tax revenue on anything they want,

including administrative costs, outside consultants and pay raises.

- **Revenue Can Be Spent on Anything** - Allows politicians to drive its tax hike revenue to anything the special interest wants.

## Proponents

- **Los Angeles Unified School District**
- **Los Angeles County Board of Supervisors**
- **Karen Bass**
- **Barbara Lee**
- **Nancy Skinner**
- **Scott Wiener**
- **Kamala D. Harris**
- **Governor Gavin Newsom**
- **Holly Mitchell**
- **Kevin Mullin**
- **London Breed**
- **Libby Schaaf**
- **Kansen Chu**
- **Kevin McCarty**
- **Buffy Wicks**
- **Barbara Lee**
- **Eric Garcetti**
- **Darrell Steinberg**
- **Betty Yee**
- **Ro Khanna**
- **Bob Wieckowski**
- **Rob Bonta**
- **Lorena Gonzalez Fletcher**
- **Tony Thurmond**

## Opponents

- **Howard Jarvis Taxpayers Association**
- **California State Conference National Association for the Advancement of Colored People (NAACP)**
- **Vince Fong**
- **Ted Gaines**
- **Antonio Villaraigosa**



CALIFORNIA BALLOT MEASURE - HOUSING & LAND USE

**PROPOSITION 19 ( ASSEMBLY CONSTITUTIONAL AMENDMENT 11 )**

Changes Certain Property Tax Rules, Legislative Constitutional Amendment.

Sponsored by Assemblymember [Kevin Mullin](#)

**Recommended Position: Oppose**

**PURPOSE**

- **Transfer Exemptions** - Permits homeowners who are over 55, severely disabled, or whose homes were destroyed by wildfire or disaster, to transfer their primary residence's property tax base value to a replacement residence of any value, anywhere in the state.
- **Tax Limits on Families** - Limits tax benefits for certain transfers of real property between family members.
- Expands tax benefits for transfers of family farms.
- Allocates most resulting state revenues and savings (if any) to fire protection services and reimbursing local governments for taxation-related changes.

- The transfer provisions in proposition 19 were already rejected by voters on Proposition 5 in 2018. This time, the proposition has added a massive tax increase on inherited property.

## **IMPACT**

- Proposition 19 is a massive billion-dollar tax increase on California families, that could eventually cost California families about two billion dollars annually in higher property taxes.
- Added on the ballot through a last-minute backroom deal in the Legislature, despite opposition from both Democrats and Republicans.
- An attempt by Sacramento politicians to raise property taxes by removing two voter-approved taxpayer protections from the State Constitution.
- [This proposition does not retain current tax rates.](#) This proposition will force your heirs to pay taxes on any property inheritance income, disallowing for the ability to create generational wealth. It would require reassessment to market value of property transferred from parents to children, and from grandparents to grandchildren unless used as the owner's principal residence.
- Under current law, transfers of certain property between parents and children are excluded from reassessment, meaning *the property tax bill stays the same* after the property is transferred. The same is true for certain transfers between grandparents and grandchildren. Voters added these popular provisions to the State Constitution with Proposition 58 in 1986 and Proposition 193 in 1996.
  - Under Prop. 58, parents may transfer a home of any value and up to \$1 million of assessed value of other property to their children without an increase in property taxes.
- Proposition 19 takes away Proposition 13-related protections that California families have under the State Constitution and replaces them with tax increase.
- [Proposition 19 takes away Proposition 58](#), even though it was approved by 75.7% of voters.

Proposition 19 is a massive billion-dollar tax increase on California families, that could eventually cost California families about two billion dollars annually in higher property taxes.

## **Position**

- LASCC Position: **Oppose**

## **Proponent**

- [The California Association of Realtors Issues Mobilization PAC](#)
- [National Association of Realtors](#)
- [Brian Rice, President - California Association of Firefighters](#)
- [Salena Pryor - Black Small Business Association of California](#)
- [David Wolfe, Former Legislative Director - Howard Jarvis Taxpayers Association](#)

## Opponent

- **Assemblymember Ken Cooley**
  - **Senator Patricia Bates**
  - **Jon Coupal, President - Howard Jarvis Taxpayers Association**
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## CALIFORNIA BALLOT MEASURE - HOUSING & LAND USE

### PROPOSITION 20

Restricts Parole for Certain Offenses Currently Considered to be Non-Violent. Authorizes Felony Sentences for Certain Offenses Currently Treated As Misdemeanors. Initiative Statute

Introduced by [Nina Salamo Besselman](#)

#### **Summary**

- Limits access to parole program established for non-violent offenders who have completed the full term of their primary offense by eliminating eligibility for certain offenses.
- Changes standards and requirements governing parole decisions under this program.
- Authorizes felony charges for specified theft crimes currently chargeable only as misdemeanors, including some theft crimes where the value is between \$250 and \$950.
- Requires persons convicted of specified misdemeanors to submit to collection of DNA samples for state database.

#### **Fiscal**

- Increased state and local correctional costs likely in the tens of millions of dollars annually, primarily due to increases in county jail populations and levels of community supervision.
- Increased state and local court-related costs that could be more than several million dollars annually.
- Increased state and local law enforcement costs not likely to be more than a few million dollars annually related to collecting and processing DNA samples.

### **Impact**

- Changes the labeling of certain nonviolent crimes that should have been considered "violent crimes." These include assault with a deadly weapon, domestic violence, exploding a bomb, shooting into a house with intent to kill or injure people, and selling children for sex.
- Closes a loophole, with some of the relabeled crimes, that will prevent the convicted offenders from being eligible for early release and requires victims to be notified when their assailants are set free. This protects children against physical abuse and sexual exploitation with the trafficking of children being recognized as a violent crime.
- The full sentence provision applies only to violent inmates who pose a risk to public safety, regardless of race or ethnicity. It does not apply to drug offenders and petty criminals, and does not send more people to prison.
- Expands DNA collection to help solve rapes, murders and other serious crimes, and strengthens sanctions against habitual thieves who steal repeatedly.

### **Position**

- Recommended Position: **Support**
- LASCC Position: **tbd**
- Committee Recommended Position: **tbd**
- Advocacy Committee Recommended Position: **tbd**

### **Proponent**

- [Yes On 20](#)

### **Opponent**

- [No on Prop 20](#)



**CALIFORNIA BALLOT MEASURE - HOUSING & LAND USE**

**PROPOSITION 21**

**Rental Affordability Act**

Introduced by **Michael Weinstein**, Cynthia Davis, Jesse Brooks, Rene Christian Moya, Susan Hunter

**Purpose**

- Amends state law to allow local governments to establish rent control on residential properties over 15 years old. Allows local limits on annual rent increases to differ from current statewide limit.
- Allows rent increases in rent-controlled properties of up to 15 percent over three years at start of new tenancy (above any increase allowed by local ordinance).
- Exempts individuals who own no more than two homes from new rent-control policies.
- In accordance with California law, prohibits rent control from violating landlords' right to fair financial return.

**Fiscal**

- Non-partisan researches at MIT estimate extreme rent control measures like this result in an average reduction in home values up to 20%. That's up to \$115,000 in lost value for the average homeowner. Californians can't afford to take another hit with the economic collapse threatening their home values and life savings.
- Overall, a potential reduction in state and local revenues in the high tens of millions of dollars per year over time. Depending on actions by local communities, revenue losses could be less or more.

### **Impact**

- Deeply flawed scheme that will increase housing costs and hurt California's economic recovery.
- A similar proposition was rejected by 60% of California voters in 2018.
- Does not address California's housing shortage and will instead make housing less available and less affordable, making the housing crisis even worse.
- Undermines statewide rent control law in the nation signed by Gov. Newsom and enacted just last year with no plan to build affordable and middle-class housing or deal with the increasing problem of homelessness.
- Takes away basic protections for homeowners and allows regulators to tell single-family homeowners how much they can charge to rent out a single room. This will force millions of homeowners to be treated like landlords and subject to regulations and price controls enacted by unelected boards.
- Prop 21 allows local governments to establish extreme and permanent regulations on nearly all aspects of housing.

### **Position**

- Recommended Position: **Oppose**

### **Proponent**

- [Yes On 21](#)

### **Opponent**

- [No On Prop 21](#)
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## CALIFORNIA BALLOT MEASURE - JOBS & THE ECONOMY

### PROPOSITION 22

App-Based Drivers as Contractors and Labor Policies Initiative (2020)

Introduced by Davis White, Brian McGuigan, and Keith Yandell

#### **Purpose**

- Classifies drivers for app-based transportation (rideshare) and delivery companies as “independent contractors,” not “employees,” unless company: sets drivers’ hours, requires acceptance of specific ride or delivery requests, or restricts working for other companies.
- Independent-contractor drivers would be entitled to compensations—including minimum earnings, healthcare subsidies, and vehicle insurance.
- Restricts certain local regulation of app-based drivers.
- Criminalizes impersonation of drivers.

#### **Fiscal**

- ♦ Minor increase in state income taxes paid by rideshare and delivery company drivers and investors.

## Impact

- More than 80% of drivers work less than 20 hours a week, have other jobs or responsibilities and can't work set shifts as employees: • Parents who work while kids are in school; • Family members who work odd hours so they can care for aging parents or other loved ones; • Working families, retirees and students who need supplemental income.
- "Eliminating drivers' ability to work as independent contractors will end the flexibility the vast majority of drivers need, severely damaging the proven on-demand model that quickly matches customers with drivers. The result will be much longer wait times, significantly higher consumer prices, and the permanent shutdown of services in many areas—eliminating hundreds of thousands of jobs."

## Position

- Recommended Position: **Support**

## Supporting Organizations & Articles

- [tbd](#)

## Opposing Organizations & Articles

- [tbd](#)
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## CALIFORNIA PROPOSITION - HEALTHCARE

### PROPOSITION 23

#### Dialysis Amendment

Introduced by Sarah Steck ([SEIU-UHW](#)) and Elliott Perry

#### **Summary**

- Authorizes state regulation of kidney dialysis clinics. Establishes minimum staffing and other requirements.
- Report data on dialysis-related infections to the state health department and National Healthcare Safety Network (NHSN).
- Requires a minimum of one licensed physician present at the clinic while patients are being treated, with an exception for when there is a bona fide shortage of physicians.
- Provide a written notice to the state health department and obtain consent from the state health department before closing a chronic dialysis clinic.
- Prohibits clinics from refusing to treat patients based on the source of payment for care.

#### **Fiscal**

- Increased state and local government costs likely in the low tens of millions of dollars annually.
- Berkeley Research Group (BRG) estimates costs to increase by \$320 million every year.

### **Impact**

- Will mandate the roughly 600 dialysis clinics in California to have a physician during all operating hours, in a non-caregiving, bureaucratic role.
- Ballot will jeopardize access to care for approximately 80,000 California dialysis patients.
- Increased costs will be passed on to patients in forms of higher insurance premiums and higher taxes for government-sponsored health care.
- BRG analysis estimates half of all dialysis clinics in the state would become unsustainable, which could force hundreds of clinics to cut back services or shut down completely.
- Bad for business and will increase healthcare costs and raise taxes statewide.

### **Position**

- LASCC Position: **Opposed**

### **Proponent**

- [SEIU-United Healthcare Workers West \(UHW\)](#)
- [YesOnProp 23](#)

### **Opponent**

- [NO Prop 23](#)
  - [Marketa Houskova, DNP, RN: Executive Director - American Nurses Association / California](#)
  - [Peter N. Bretan, MD: President - California Medical Association](#)
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