NOVEMBER 6, 2012

GENERAL ELECTION

STATE PROPOSITIONS

Proposition 30

TEMPORARY TAXES TO FUND EDUCATION. GUARANTEED LOCAL PUBLIC SAFETY FUNDING. INITIATIVE CONSTITUTIONAL AMENDMENT. Increases taxes on earnings over $250,000 for seven years and sales taxes by ¼ cent for four years, to fund schools. Guarantees public safety realignment funding. Fiscal Impact: Increased state tax revenues through 2018-19, averaging about $6 billion annually over the next few years. Revenues available for funding state budget. In 2012-13, planned spending reductions, primarily to education programs, would not occur.

Proposition 31

STATE BUDGET. STATE AND LOCAL GOVERNMENT. INITIATIVE CONSTITUTIONAL AMENDMENT AND STATUTE. Establishes two-year state budget. Sets rules for offsetting new expenditures, and Governor budget cuts in fiscal emergencies. Local governments can alter application of laws governing state-funded programs. Fiscal Impact: Decreased state sales tax revenues of $200 million annually, with corresponding increases of funding to local governments. Other, potentially more significant changes in state and local budgets, depending on future decisions by public officials.

Proposition 32

POLITICAL CONTRIBUTIONS BY PAYROLL DEDUCTION. CONTRIBUTIONS TO CANDIDATES. INITIATIVE STATUTE. Prohibits unions from using payroll-deducted funds for political purposes. Applies same use prohibition to payroll deductions, if any, by corporations or government contractors. Prohibits union and corporate contributions to candidates and their committees. Prohibits government contractor contributions to elected officers or their committees. Fiscal Impact: Increased costs to state and local government, potentially exceeding $1 million annually, to implement and enforce the measure's requirements.

Proposition 33

AUTO INSURANCE COMPANIES. PRICES BASED ON DRIVER'S HISTORY OF INSURANCE COVERAGE. INITIATIVE STATUTE. Changes current law to allow insurance companies to set prices based on whether the driver previously carried auto insurance with any insurance company. Allows proportional discount for drivers with some prior coverage. Allows increased cost for drivers without history of continuous coverage. Fiscal Impact: Probably no significant fiscal effect on state insurance premium tax revenues.

Propositions 34

DEATH PENALTY. INITIATIVE STATUTE. Repeals death penalty and replaces it with life imprisonment without possibility of parole. Applies retroactively to existing death sentences. Directs $100 million to law enforcement agencies for investigations of homicide and rape cases. Fiscal Impact: Ongoing state and county criminal justice savings of about $130 million annually within a few years, which could vary by tens of millions of dollars. One-time state costs of $100 million for local law enforcement grants.

NOVEMBER 6, 2012

GENERAL ELECTION

STATE PROPOSITIONS

Proposition 35

HUMAN TRAFFICKING. PENALTIES. INITIATIVE STATUTE. Increases prison sentences and fines for human trafficking convictions. Requires convicted human traffickers to register as sex offenders. Requires registered sex offenders to disclose Internet activities and identities. Fiscal Impact: Costs of a few million dollars annually to state and local governments for addressing human trafficking offenses. Potential increased annual fine revenue of a similar amount, dedicated primarily for human trafficking victims.

Proposition 36

THREE STRIKES LAW. REPEAT FELONY OFFENDERS. PENALTIES. INITIATIVE STATUTE. Revises law to impose life sentence only when new felony conviction is serious or violent. May authorize re-sentencing if third strike conviction was not serious or violent. Fiscal Impact: Ongoing state correctional savings of around $70 million annually, with even greater savings (up to $90 million) over the next couple of decades. These savings could vary significantly depending on future state actions.

Proposition 37

GENETICALLY ENGINEERED FOODS. LABELING. INITIATIVE STATUTE. Requires labeling of food sold to consumers made from plants or animals with genetic material changed in specified ways. Prohibits marketing such food, or other processed food, as "natural." Provides exemptions. Fiscal Impact: Increased annual state costs from a few hundred thousand dollars to over $1 million to regulate the labeling of genetically engineered foods. Additional, but likely not significant, governmental costs to address violations under the measure.

Proposition 38

TAX TO FUND EDUCATION AND EARLY CHILDHOOD PROGRAMS. INITIATIVE STATUTE. Increases taxes on earnings using sliding scale, for twelve years. Revenues go to K-12 schools and early childhood programs, and for four years to repaying state debt. Fiscal Impact: Increased state tax revenues for 12 years—roughly $10 billion annually in initial years, tending to grow over time. Funds used for schools, child care, and preschool, as well as providing savings on state debt payments.

Proposition 39

TAX TREATMENT FOR MULTISTATE BUSINESSES. CLEAN ENERGY AND ENERGY EFFICIENCY FUNDING. INITIATIVE STATUTE. Requires multistate businesses to pay income taxes based on percentage of their sales in California. Dedicates revenues for five years to clean/efficient energy projects. Fiscal Impact: Increased state revenues of $1 billion annually, with half of the revenues over the next five years spent on energy efficiency projects. Of the remaining revenues, a significant portion likely would be spent on schools.

Proposition 40

REDISTRICTING. STATE SENATE DISTRICTS. REFERENDUM. A "Yes" vote approves, and a "No" vote rejects, new State Senate districts drawn by the Citizens Redistricting Commission. If rejected, districts will be adjusted by officials supervised by the California Supreme Court. **Fiscal Impact:** Approving the referendum would have no fiscal impact on the state and local governments. Rejecting the referendum would result in a one-time cost of about $1 million to the state and counties.