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NOVEMBER 2010 BALLOT PROPOSITIONS Recommendations of the Policy Council Lutheran Office of Public Policy – California

These recommendations are based on the analyses, understandings, and commitments of the Evangelical Lutheran Church in America found in its social statements: *Sufficient, Sustainable Livelihood for All; Caring for Health – Our Shared Endeavor; and Caring for Creation – Vision, Hope, and Justice*

Prop. 21 - Initiative Statute: YES

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

This is a straightforward state parks funding measure, with a dedicated revenue source, that supports care for creation, social equity, and public health values and goals. It will relieve pressure on the General Fund, which also provides for health and social services programs and benefits. It requires deposit of surcharge revenue in a new trust fund, and requires that trust funds be used solely to operate, maintain and repair the state park system, and to protect wildlife and natural resources. Exempts commercial vehicles, trailers and trailer coaches from the surcharge.

Prop. 23 - Initiative Statute: NO

Suspends Air Pollution Control Laws Requiring Major Polluters to Report and Reduce Greenhouse Gas Emissions That Cause Global Warming Until Unemployment Drops Below 5.5% for four consecutive quarters.

The Global Warming Solutions Act of 2006, which requires greenhouse gas emissions that cause climate change be reduced to 1990 levels by 2020, would be suspended until California's unemployment rate drops to 5.5 percent or less for four consecutive quarters, a level that has occurred only three times in about 36 years. The current 12.3% means that current law would effectively be overturned, blocking implementation of comprehensive greenhouse-gas-reduction programs that include increased renewable energy and cleaner fuel requirements, and mandatory emission reporting and fee requirements for major polluters such as power plants, cement factories, and oil refineries. This measure, funded mostly by oil companies based out of state, would threaten California's growing clean, green industries and services that have generated billions in venture capital investment. It would thwart the public health benefits that come from reducing pollutants associated with greenhouse gas emissions, especially in lower-income communities where emissions are concentrated. It would turn California toward the past instead of toward a future that seeks to demonstrate that we are a good global neighbor as that part of climate change which is human-caused threatens people and their supplies of food and water, especially people who lack the resources to adapt, around the world.

Prop. 24 - Initiative Statute: YES

Repeals Recent Legislation That Would Allow Businesses to Carry Back Losses, Share Tax Credits, and Use a Sales-Based Income Calculation to Lower Taxable Income.

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. Repeals recent legislation that would allow corporations to share tax credits with affiliated corporations. Repeals recent legislation that would allow multistate businesses to use a sales-based income calculation, rather than a combination property-, payroll- and sales-based income calculation. The annual state revenue decrease from business taxes is estimated at about \$1.2 billion when fully phased in. These reductions in corporate tax liability were suspended by the October 2010 state budget agreement. Prop. 24 would repeal them permanently. Given the current structural gap between state revenues and spending over the next several years, projected in the billions annually, the choice in Prop. 24 represents a value judgment between more cuts in health and human services, and safety net supports for people poverty and those

with special needs, or tax cuts benefitting chiefly some of California's largest corporations. It can be seen as a tradeoff between private sector jobs, and jobs that heal, help, teach, and protect.

Prop. 25- Initiative Constitutional Amendment: YES

Changes Legislative Vote Requirement to Pass a Budget from Two-Thirds to a Simple Majority. Retains Two-Thirds Vote Requirement for Taxes.

Changes the legislative vote requirement necessary to pass the state budget from two-thirds to a simple majority. Provides that if the Legislature fails to pass a budget bill by June 15, all members of the Legislature will permanently forfeit any reimbursement for salary and expenses for every day until the day the Legislature passes a budget bill. This measure is consistent with the LOPP priority for budget process reform to provide better safeguards for health and human services programs, the safety net, equity and quality in education, and environmental protection. The 2010 record budget impasse is once again compelling evidence of how a two-thirds requirement for passage confuses authority and accountability, reduces trust in government, causes much hardship for state contractors (such as child care providers) and creates de facto minority rule.

Prop. 26- Initiative Constitutional Amendment: NO

Increases Legislative Vote Requirement to Two-Thirds for State Levies and Charges. Imposes Additional Requirement for Voters to Approve Local Levies and Charges with Limited Exceptions.

Increases legislative vote requirement to two-thirds for state levies and charges, with limited exceptions, and for certain taxes currently subject to majority vote. It repeals recent changes in the definitions of fuel fees and taxes. Changes the Constitution to require voters to approve, either by two-thirds or majority, local levies and charges with limited exceptions. This measure would undo the Sinclair Paint legislation and court decision allowing a fee on paint, for remediation and prevention of lead poisoning. Sinclair is the legal basis for the distinction between a tax (requires 2/3 legislative vote) and a fee (majority vote). The initiative would affect many current and potential sources of revenue where there is a clear nexus between the product and harm, e.g. alcohol, tobacco, carbon, oil—and expenditure of revenue to prevent or remediate harm. Prop. 26 is funded by alcohol, tobacco, and oil interests, and it is a major threat to state and local government operations.

The Lutheran Office of Public Policy – California did not make recommendations on:

Prop. 19- Initiative Statute - Changes California Law to Legalize Marijuana and Allow It to Be Regulated and Taxed by Local Governments.

Allows people 21 years old or older to possess, cultivate, or transport marijuana for personal (“recreational”) use. Permits local governments to regulate and tax commercial production and sale of marijuana to people 21 years old or older. It does not provide for taxation by state government.

Prop. 20- Initiative Constitutional Amendment – Redistricting of Congressional Districts.

Gives authority to draw districts for the U. S. House of Representative members to the 14-member redistricting commission creation by voters in 2008 to draw districts for state Assembly, Senate, and Board of Equalization. This commission is now in the final stages of formation for redistricting following the 2010 census.

Prop. 22- Initiative Constitutional Amendment – Prohibits the State from Taking Funds Used for Transportation or Local Government Projects and Services.

Prohibits the State from shifting, taking, borrowing, or restricting the use of tax revenues dedicated by law to fund local government services, community redevelopment projects, or transportation projects and services.

Prop. 27 - Initiative Constitutional Amendment and Statute – Eliminates State Commission on Redistricting.

Eliminates the redistricting commission approved by voters in 2008, and returns redistricting authority to the Legislature and Governor for the state Assembly, Senate, and Board of Equalization.

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