

## Initiatives Qualified for the November 5 Statewide Ballot

| Initiative/Referendum Name (SOS)  | Title (Proponent's Title)  | Description  | Fiscal Impact   | CSAC Policy Area                         |
|---|--|--|---|--|
| ACA 1 (Aguiar-Curry) [Approved by<br>Legislature on September 14, 2023] | Local government financing:<br>affordable housing and public<br>infrastructure: voter approval | ACA 1, as amended via ACA 10, would reduce vote<br>requirements for general obligation bonds financing affordable<br>housing, permanent supportive housing, or public infrastructure,<br>as defined, and any associated ad valorem taxes needed to pay<br>the interest and redemption charges on bonded indebtedness.<br>The previous version of ACA 1 would have reduced vote<br>requirements for special taxes to raise revenue for those same<br>categories.  | This measure is estimated to result in minimal and absorbable<br>one-time costs for the SOS for printing and mailing expenses<br>associated with placing the measure on the ballot. There are no<br>immediate anticipated fiscal impacts to local governments as a<br>result of this measure.   | Government Finance<br>and Administration |
| ACA 5 (Low) [Approved by Legislature on<br>July 13, 2023]               | Marriage equality  | Currently, the California Constitution only recognizes marriages<br>between a man and a woman. This measure would revise this<br>provision to instead provide that marriage is a fundamental right.<br>The original provision has not been enforceable since the United<br>States' Supreme Court's decision in Obergefell v. Hodges in<br>2015 that requires all states to recognize and grant same-sex<br>marriages.  | This measure is estimated to result in minimal and absorbable<br>one-time costs for the SOS for printing and mailing expenses<br>associated with placing the measure on the ballot. There are no<br>immediate anticipated fiscal impacts to local governments as a<br>result of this measure.   | N/A                                      |
| ACA 8 (Wilson) [Approved by<br>Legislature on June 27, 2024}            | Slavery  | Slavery and involuntary servitude are currently prohibited under<br>the California Constitution, except unless used as a punishment<br>for a crime. If approved by voters, ACA 8 would prohibit slavery<br>and involuntary servitude beginning January 1, 2025. This<br>measure also ensures that the Department of Corrections and<br>Rehabilitation (CDCR) shall not discipline an incarcerated person<br>for refusing a work assignment but would allow CDCR to<br>continue to award credits to those who voluntarily accept a work<br>assignment. AB 628 (Wilson), a companion bill to ACA 8, would<br>ensure that compensation levels for work conducted in state<br>prison are set by regulations promulgated by the Secretary of<br>CDCR, and for work conducted in county jails, set by local<br>ordinance. AB 628 only becomes operative should ACA 8 be<br>approved by the voters in November. | This measure has unknown, but potentially significant ongoing<br>state costs (General Fund) to CDCR as a result of prohibiting<br>involuntary servitude in state prisons. This measure also has<br>unknown, but potentially significant non-reimbursable ongoing<br>local costs (local funds) for local correctional facilities as a result<br>of prohibiting involuntary servitude in local jails. | Administration of<br>Justice             |
| ACA 13 (Ward) [Approved by Legislature<br>on September 14, 2023]        | Voting thresholds  | The California Constitution requires a voter-led initiative or constitutional amendment to be approved by a majority of the voters. This measure would require any proposed initiative that amends the constitution to change would increase the required voter approval threshold to pass initiatives, pass at the to be passed by the same proposed voting threshold. For example, if ACA 13 were in place, an initiative that would raise vote requirements from a simple majority to two-thirds of the vote would require approval by two-thirds of voters.  | This measure is estimated to result in minimal and absorbable<br>one-time costs for the SOS for printing and mailing expenses<br>associated with placing the measure on the ballot. There are no<br>immediate anticipated fiscal impacts to local governments as a<br>result of this measure.   | Government Finance<br>and Administration |
| 21-0043: Raises Minimum Wage  | Living Wage Act of 2022  | If passed, this measure will make changes to the annual scheduled minimum wage increases. These increases would be extended until the minimum wage reaches \$18.00 per hour.   | It is unclear what the change in annual state and local tax<br>revenues would be, likely between a loss of a couple billion<br>dollars and a gain of a few hundred million dollars. Increase in<br>annual state and local government costs likely between half a<br>billion dollars and a few billion dollars.  | Government Finance<br>and Administration |



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| 22-0008: Expanding Local Government's<br>Authority to enact rent control                       | Justice for Renters Act   | all types of housing. This measure would repeal this law, granting  | Overall, a potential reduction in state and local revenues in the<br>high tens of millions of dollars per year over time. Depending on<br>actions by local communities, revenue losses could vary.  | Housing, Land Use<br>and Transportation |
| 23-0017: Allows felony charges and<br>increases sentences for certain drug and<br>theft crimes | The Homelessness, Drug<br>Addiction, and Theft Reduction<br>Act | This measure attempts to make targeted reforms to Proposition 47 of 2014 which made possession of certain drugs and thefts under \$950 chargeable only as misdemeanors. For those with two prior drug or two prior theft convictions, this would make those drug possessions and theft crimes eligible for felony classification.   | This measure will result in increased state criminal justice<br>system costs potentially in the hundreds of millions of dollars<br>annually, primarily due to an increase in the state prison<br>population. Some of these costs could be offset by reductions in<br>state spending on local mental health and substance use<br>services, truancy and dropout prevention, and victim services<br>due to requirements in current law. Increased local criminal<br>justice system costs potentially in the tens of millions of dollars<br>annually, primarily due to increased court-related workload and<br>a net increase in the number of people in county jail and under<br>county community supervision. | Administration of<br>Justice            |
| 23-0021: Restricts spending by health<br>care providers meeting specified criteria             | Protect Patients Now Act of 2024                                | This measure will mandate certain health care providers spend<br>98% of revenues from federal discount prescription drug on<br>direct patient care. Those not in compliance with the law will be<br>penalized by revoking their license and tax-exempt status.  | This measure will result in increased costs to state, potentially<br>up to the millions of dollars annually, to review entities'<br>compliance with the measure and enforce the measure's<br>provisions. These costs would be covered by fees created<br>under the measure. Uncertain fiscal impacts to state and local<br>government health programs, depending on how the affected<br>entities respond to the measure's requirements.   | Health and Human<br>Services            |
| 23-0024: Provides permanent funding for<br>Medi-Cal health care services                       | Protect Access to Healthcare<br>Act of 2024                     | The Managed Care Organization (MCO) tax is a tax on managed<br>care organizations based on health insurance enrollment in the<br>Medi Cal program and in the commercial sector. The 2023<br>Budget Act, in addition to federal approval, authorized the MCO<br>tax from April 2023 to December 2026. The MCO tax revenues<br>offset General Fund spending in the existing Medi-Cal program<br>and support program augmentations. This initiative would make<br>the MCO tax permanent, subject to federal approval, and would<br>limit the structure of the tax, and would establish specific uses for<br>the tax revenue. | This measure will have uncertain overall impact on state<br>revenues and spending, including reduced legislative flexibility<br>over the use of MCO tax funds. The extent of this impact<br>depends on whether the measure would result in different state<br>decisions around imposing, structuring, and spending proceeds<br>from the managed care organization tax than in the absence of<br>the measure   | <u>Health and Human</u><br>Services     |