



PROS & CONS

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Statewide Primary Election ★ June 8, 2010

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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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Proposition 13

Legislative Constitutional Amendment

Limits on Property Tax Assessment. Seismic Retrofitting of Existing Buildings.

THE QUESTION

Should the California Constitution be amended to provide that all earthquake safety upgrades be exempt from property tax reassessment until the property is sold?

THE SITUATION

Local property taxes are based on a property's assessed value. When property is acquired, its assessed value is generally set at the purchase price or market value. Until the property changes hands, increases in assessed value are limited to two percent per year by Prop 13 (1978). But, if additions or renovations are made, property value is reassessed to include the value added by those changes. There are two exclusions from property reassessment for earthquake safety improvements:

- ★ Earthquake upgrades required by local ordinance on unreinforced masonry structures (made of bricks or cement blocks) are exempt for 15 years or until the property is sold.
- ★ Other earthquake upgrades are exempt until the property is sold.

THE PROPOSAL

Proposition 13 would amend the California Constitution to replace two earthquake safety exemptions with a single exclusion for all earthquake upgrades. This would remove the 15-year limit on the exemption for unreinforced masonry buildings.

FISCAL EFFECTS

Minor reduction in local property tax revenues.

A "YES" VOTE MEANS: Earthquake safety improvements for any building would not result in higher property taxes until ownership changes.

A "NO" VOTE MEANS: Earthquake safety improvements to unreinforced masonry buildings would be excluded from increased property taxes for 15 years.

SUPPORTERS SAY

- ★ The current law is unfair, treating property owners differently according to the type of structure.
- ★ The change will encourage owners of unreinforced masonry buildings to upgrade them for earthquake safety.

OPPONENTS SAY

No opposing arguments were submitted.

Elections. Increases Right to Participate in Primary Elections.

THE QUESTION

Should the California Constitution be amended to require that all candidates for a state or congressional office run in a single primary open to all registered voters, with only the top two vote-getters, regardless of their political party preference, advancing to the general election?

THE SITUATION

California voters elect state and federal officials in two steps:

- ★ **Primary Election** (June)—Each party selects its nominee for each office.
- ★ **General Election** (November)—Voters choose from the party nominees, plus any independent or write-in candidates.

Voters registered with a political party vote in that party’s primary election. A political party may open its primary to “independent” voters who did not choose any party on their voter registration form. The candidate with the highest vote total in a party primary becomes that party’s nominee and competes in the general election.

THE PROPOSAL

Proposition 14 would amend the California Constitution to change primary and general elections for statewide partisan offices like Governor, plus congressional and state legislative offices. Prop 14 provides that every voter may vote in the primary election for any candidate without regard to the political party preference (if any) of either the candidate or the voter. Candidates would choose whether or not to list their party preference on the ballot. Political parties could no longer nominate a candidate, but could still endorse, support or oppose any candidate. The two candidates with the highest number of votes in the primary, regardless of party affiliation, would compete in the general election. Independent and write-in candidates would be allowed in the primary but not in the general election.

Prop 14 would not change the partisan primary elections for presidential candidates and political party committees.

FISCAL EFFECTS

The overall change in the costs to administer elections for state and local governments would probably not be significant, although some counties might need to purchase new equipment.

A “YES” VOTE MEANS

All voters would receive the same primary election ballot for most state and federal offices. For each office, only the two top vote-getters in the primary, regardless of political party preference, would advance to the general election.

A “NO” VOTE MEANS

Voters would continue to receive primary election ballots based on their political party. The candidate with the most votes in each party primary would compete in the general election, along with independent and write-in candidates.

SUPPORTERS SAY

- ★ Prop 14 gives voters a greater choice of candidates in primary elections, and gives independent voters an equal voice in these elections.
- ★ Prop 14 would help elect representatives who are less partisan and more practical.
- ★ Prop 14 would lessen the influence of the major parties, which are now under the control of special interests.

OPPONENTS SAY

- ★ Prop 14 reduces voter choice in the general election to only two candidates for each office, possibly both from the same party.
- ★ Prop 14 would help elect more moderate representatives who would be more likely to approve tax increases and unreasonable budgets.
- ★ Prop 14 undermines the role of political parties, which are essential to the process of democracy.

FOR MORE INFORMATION

Supporters: Yes on 14—Californians for an Open Primary www.yeson14openprimary.com

Opponents: California School Employees’ Association 408.473.1000

Both propositions 14 and 15 would make changes in how elections are run.

If both of these propositions pass, differences in election procedures would have to be reconciled by legislation, judicial action, or another ballot measure.

California Fair Elections Act

THE QUESTION

Should California lift the ban on public funding of political campaigns and establish public funding for Secretary of State candidates in the 2014 and 2018 elections?

THE SITUATION

In 1988 voters passed Prop 73, an initiative that banned political candidates from using public funds for campaigns. The ban includes all state elected offices and most local offices, although a few charter cities have adopted public financing for some local offices.

The Secretary of State serves as the state’s chief elections official and has other duties that include monitoring lobbyists’ activities. Lobbying is the act of communicating with public officials to influence government actions. More than 4,300 lobbyists are currently registered and pay a fee of \$25 every two years.

THE PROPOSAL

Proposition 15 would lift the ban on public funding of political campaigns in California and allow such programs to be created by the legislature. It would also establish a public funding program for Secretary of State campaigns until 2019, which could be extended by the legislature and governor.

Candidates running for Secretary of State in 2014 and 2018 could voluntarily receive state funds for their campaigns if they show enough public support and agree to other requirements. Candidates from major parties would have to collect \$5 contributions from 7,500 voters, and minor party candidates would need at least 3,750 voters to give them \$5. Publicly-funded candidates could generally not accept other campaign contributions, except limited start-up money and limited party contributions.

Prop 15 sets public funding amounts for participating candidates. Extra matching funds would be allowed when a publicly-funded candidate is outspent by privately-funded opponents. If program funds are insufficient to fund all candidates at the allowed levels, then all candidates would get less public money and be allowed to seek private donations to make up the difference.

Prop 15 would raise the lobbyist registration fee to \$700 every two years and use the increase on the public funding program for Secretary of State candidates.

FISCAL EFFECTS

Spending on the new public funding program would be limited to the available funds. The increased lobbyist fee and \$5 qualifying contributions would provide the program with about \$6 million for each election year.

A “YES” VOTE MEANS

Public funding for political campaigns would be allowed. In 2014 and 2018, Secretary of State candidates could choose to receive public funds for their campaigns, if they met certain requirements. Candidates who do not receive public funds would be subject to current campaign finance law.

A “NO” VOTE MEANS

The current ban on public funding for political campaigns would continue. Candidates for all state offices would pay for their campaigns with private funds subject to current law.

SUPPORTERS SAY

- ★ Prop 15 removes wealth as a major factor affecting whether a candidate is able to run a successful campaign.
- ★ Public campaign funding helps candidates focus on the public interest instead of special interests and fundraising.
- ★ Prop 15 places reasonable fees on lobbyists and won’t raise taxes or take funds from other programs.

OPPONENTS SAY

- ★ Prop 15 gives public money to politicians and lets them use it on negative ads and junk mail.
- ★ Prop 15 allows the legislature to expand public funding of campaigns to other offices without voter approval.
- ★ Prop 15 overturns a decision California voters made 20 years ago to ban public funding of political campaigns.

FOR MORE INFORMATION

Supporters: California Fair Elections
800.566.3780 • www.yesFairElections.org

Opponents: Stop Prop 15
916.448.4234 • www.StopProp15.com

Imposes New Two-Thirds Majority Voter Approval Requirement for Local Public Electricity Providers

THE QUESTION

Should the California Constitution be amended to require two-thirds voter approval before local governments can start up or expand electric service?

THE SITUATION

Electricity is delivered in California by

- ★ **Investor-owned utilities** (for-profit corporations)—Pacific Gas & Electric, Southern California Edison or San Diego Gas & Electric and
- ★ **Publicly-owned utilities** (government agencies)—such as the Los Angeles Department of Water & Power and the Sacramento Municipal Utility District.

Although most customers buy electricity from the utility serving their area, some buy from other companies known as “electric service providers.”

California law allows local governments to create their own publicly-owned utility or a community choice aggregation program, which buys power in bulk from electric service providers. Decisions about local electric service are generally made by an elected local government board or by a majority of voters in the service area.

THE PROPOSAL

Proposition 16 would require a two-thirds majority vote of the people before local governments could use public funds to start up electricity service, expand service into new territory, or contract with electric service providers through a community choice aggregation program. The new two-thirds vote requirement would not apply if public funds were to be used for any of the following:

- ★ To produce or buy electricity from certain renewable sources like wind and solar,
- ★ To buy electricity solely for a local government’s use, or
- ★ To expand the local electric service area, if the action has already been approved by voters in the existing local service area and by voters in the proposed new area.

FISCAL EFFECTS

The net fiscal impact is unknown and would depend on future actions of local governments and voters.

A “YES” VOTE MEANS

Before local governments could start up electric service or expand into new areas, they would generally need two-thirds voter approval.

A “NO” VOTE MEANS

Local governments could continue to start up or expand electric service when approved by the governing board or a majority of voters.

SUPPORTERS SAY

- ★ Prop 16’s two-thirds vote requirement is consistent with the longstanding two-thirds requirement for local bonds and special taxes.
- ★ Voters should have the right to vote before local governments spend taxpayer money or incur debt to get into the electricity business.
- ★ A two-thirds majority requirement for a public takeover of power service is reasonable and prudent.

OPPONENTS SAY

- ★ This measure would place an unreasonable burden on local governments trying to provide an alternative to the existing power supply monopoly.
- ★ PG&E sponsored Prop 16 to reduce competition from municipal utilities which offer lower rates to their customers.
- ★ Prop 16 would make it more difficult for communities to increase their use of green energy.

FOR MORE INFORMATION

Supporters:

YES on 16—Californians to Protect Our Right to Vote
www.taxpayersrighttovote.com

Opponents:

NO on Prop 16—Taxpayers Against the PG&E Power Grab
 415.929.8876 x306 • www.powergrab.info

Voting Requirement for State Propositions

- ★ Some local ballot measures require 2/3 voter approval, but all state propositions pass if a majority of voters choose “YES.”

Allows Auto Insurance Companies to Base Their Prices in Part on a Driver’s History of Insurance Coverage

THE QUESTION

Should insurance companies be permitted to reduce or increase the cost of auto insurance depending on whether a driver has a history of continuous insurance coverage?

THE SITUATION

California regulation of auto insurance was established by Prop 103 in 1988. It requires that rates and premiums be set mainly by three factors: driving safety record, number of miles driven each year, and number of years of driving experience. Prop 103 prohibits insurance companies from using a previous lack of insurance as a factor in rate-setting. Insurance companies can offer a discount to their long-time customers. Companies who give this discount are allowed to increase the premiums of customers who do not qualify for the discount.

THE PROPOSAL

Proposition 17 would allow auto insurance companies to offer a “continuous coverage” discount to new customers who switch their coverage from a different company. Drivers would be eligible for this discount if, during the past five years, they had paid all premiums and had no lapse in coverage of more than 90 days. Drivers with lapses in coverage due to military service abroad could still qualify for the discount.

FISCAL EFFECTS

California insurance companies pay an insurance premium tax instead of the corporate income tax. Prop 17 would probably not have a significant impact on state revenue, since auto insurance premiums are largely based on other factors.

A “YES” VOTE MEANS

Auto insurance companies could offer a discount to new customers who had maintained “continuous coverage” with another company, as well as offering this discount to their long-term customers.

A “NO” VOTE MEANS

Insurers could continue to offer a discount to their long-term customers.

SUPPORTERS SAY

- ★ Prop 17 allows drivers to save money by continuing to receive “continuous coverage” discounts when they change insurance companies.
- ★ Prop 17 will benefit consumers by increasing competition.
- ★ Prop 17 will not change our strong consumer protection laws.

OPPONENTS SAY

- ★ Prop 17 will result in new insurance surcharges for millions of drivers.
- ★ Prop 17 means drivers will have to pay a penalty to restart coverage following a lapse.
- ★ Prop 17 changes our laws to favor Mercury Insurance, the initiative's sponsor.

FOR MORE INFORMATION

Supporters:

Yes on 17—Californians for Fair Auto Insurance Rates
916.325.0056 • www.YesProp17.org

Opponents:

Campaign for Consumer Rights
310.392.0522 • www.StopProp17.org

Looking for more information on the propositions?

- ★ **Official Voter Information Guide** • www.voterguide.sos.ca.gov
Read nonpartisan analysis, arguments for and against, and even the full text of the proposed law.
- ★ **Cal-Access Campaign Finance Database** • cal-access.sos.ca.gov/campaign/measures
Look up who is giving money to the YES and NO campaigns. Find out which campaigns have money to spend.
- ★ **SmartVoter.org** • Nonpartisan Election Information
Type in your address for comprehensive information about everything on your ballot.



League of Women Voters
of California Education Fund

There are local Leagues of Women Voters in communities throughout California. Many offer ballot measure speakers and candidate forums to encourage informed voting.

To find a local League near you or look for League-sponsored events, visit www.CAvotes.org. You can also sign up for free newsletters or make a contribution to support the League's voter education efforts.



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 Secretary of State's Cal-Access campaign finance website: cal-access.sos.ca.gov/campaign/measures/
- ★ 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.

Statewide Primary Election ★ Tuesday, June 8, 2010

polls open 7 a.m. to 8 p.m.

May 24 • Last day to register to vote

June 1 • Last day to request a vote-by-mail ballot