

Date: September 2, 2020

To: Mayor and Members of the City Council

From: Thomas B. Modica, City Manager 

Subject: **Update on State and Countywide Ballot Measures – November 3, 2020**

On Tuesday, November 3, 2020, Long Beach voters will consider 12 statewide ballot measures and 1 countywide measure. Of the statewide measures, 8 were placed on the ballot by voters and 4 were approved by the State Legislature to amend the California Constitution. Additionally, voters will consider 1 measure approved by the Los Angeles County Board of Supervisors.

This memorandum provides a summary of State and County 2020 General Election ballot measures including any potential impacts to the City of Long Beach (City). For additional information, please visit the California Secretary of State Official [Voter Information Guide](#).

2020 Ballot Measures

Proposition 14. Authorizes Bonds to Continue Funding Stem Cell and Other Medical Research (Bond Measure)

Proposition 14 proposes to authorize \$5.5 billion in State general obligation bonds to fund grants from the California Institute of Regenerative Medicine to educational, nonprofit, and private entities for stem cell and other medical research, therapy development, and therapy delivery; medical training; and, construction of research facilities. The State General Fund would pay most of the costs, with a relatively small amount of interest repaid by bond proceeds.

- Long Beach Impacts: This proposition would have no direct impacts to the City.

Proposition 15. Tax on Commercial and Industrial Properties for Education and Local Government Funding Initiative (Constitutional Amendment)

Proposition 15 proposes to establish split roll taxation, requiring certain commercial and industrial properties to be taxed based on their market value, as opposed to purchased price. Exemptions from this change include residential properties, agricultural properties, and property owners with combined property values of \$3 million or less. The resulting revenue from a split roll taxation structure would go to K-12 public schools, community colleges, and local governments. Proposition 15 was placed on the November ballot by voter signature and is largely financed by the California Teachers Association, Service Employees International Union California, and the Chan Zuckerberg Initiative.

- Long Beach Impacts: A detailed [memorandum](#) dated August 21, 2020, provides analysis of Proposition 15's potential impacts to the City. Proposition 15 is anticipated to generate between \$7.5 billion and \$12 billion total statewide, 60 percent of which would be allocated to local governments and 40 percent to education institutions. While the

actual amount of revenue to the City is uncertain until a detailed funding allocation formula is released, the City estimates an annual increase in the General Fund upwards of \$3 million, and local education providers would directly benefit as well.

Proposition 16. Government Preferences (Constitutional Amendment)

Proposition 16 was placed on the November ballot by the State Legislature via [ACA 5](#). This measure proposes to repeal Proposition 209 passed in 1996, which prohibits the State and public entities from discriminating against, or granting preferential treatment to, any individual or group based on race, sex, color, ethnicity, or national origin. If approved by the voters, Proposition 16 would, instead, allow public agencies to consider race, sex, ethnicity, or national origin in hiring, admissions, and contract selection decisions.

- *Long Beach Impacts:* If passed, this proposition could impact City's hiring and procurement practices. Proposition 16 aligns with strategies outlined in the [Racial Equity and Reconciliation Initiative Initial Report](#), which was unanimously approved by City Council on August 11, 2020, to ensure the City's workforce fully reflects the diversity of Long Beach and the City's contracting process provides opportunities for those most impacted by systemic racism. However, the City would still have to comply with Federal requirements regarding preferential selection in government contracting based on race, sex, ethnicity, or national origin. This would require any preference program to be narrowly tailored to achieve a compelling governmental interest and follow the Federal strict scrutiny test and equal-protection clause. Therefore, the City could, after consultation with the City Attorney's Office, consider adopting purchasing preference procedures, insofar as they are consistent with Federal law. Adopting a local preference program based on race, sex, ethnicity, or national origin could create one-time costs associated with research and implementation, and a change in selection/award criteria could result in an unknown increase in cost to the City for affected procurements.

Proposition 17. Elections: Disqualification of Electors (Constitutional Amendment)

Proposition 17, which proposes to extend voting rights to felony parolees, was placed on the November ballot by the State Legislature via [ACA 6](#). In 1974, California voters passed a measure to allow felons to vote upon completion of their sentence and parole. This effectively permits someone on probation to vote, while preventing parolees from voting. Currently, there are approximately [40,000 parolees](#) who are unable to vote despite having been released from prison, roughly two-thirds of whom are Latino or Black. Proposition 17 would restore voting rights for these individuals.

- *Long Beach Impacts:* This proposition does not have a direct impact on the City's operations but could enhance racial equity in voting. The City's Racial Equity and Reconciliation Initiative Initial Report acknowledges that despite significant changes in social attitudes and policy, Black residents and communities of color in Long Beach remain disproportionately affected across all major indicators, including incarceration. Proposition 17 would expand voter rights to parolees who have completed their sentence.

Proposition 18. Elections: Voting Age (Constitutional Amendment)

Proposition 18 was placed on the November ballot by the State Legislature via [ACA 4](#). This proposal would permit 17-year-old citizens of the United States to vote in primary and special elections, so long as they are 18 years old by the subsequent General Election. While similar initiatives have been attempted six times in California, Proposition 18 is the first to be placed on a ballot. Currently, 23 states allow 17-year-olds to vote under various conditions.

- *Long Beach Impacts:* This proposition could impact the City's elections and have minimal implications for City operations. For example, it could lead to expanded voter registration outreach and partnerships with Long Beach Unified School District.

Proposition 19. The Home Protection for Seniors, Severely Disabled, Families, and Victims of Wildfire or Natural Disasters Act (Constitutional Amendment)

Proposition 19 was placed on the November ballot by the State Legislature via [ACA 11](#). If approved by voters, this measure would allow homeowners who are 55 or older, disabled, or victims of natural disasters to transfer existing property tax assessments to the purchase of a new residential property. It would also allow the existing property tax assessment to transfer in familial property inheritances, if the family members will inhabit the property, thereby closing a loophole in which property owners transfer ownership while continuing to rent out the properties. Additional tax dollars resulting from real estate sales would go to the California Department of Forestry and Fire Protection to fund firefighting and the Special District Fire Response Fund for fire protection services.

- *Long Beach Impacts:* The impact of this measure to the City is unclear. While some provisions could increase property taxes, others would decrease revenues. The proposition, which incentivizes certain residents to move without paying higher property taxes, could potentially increase homeownership opportunities for residents. Those who benefit from the tax transfer moving into Long Beach, however, could result in lower property tax revenues for the City.

Proposition 20. Restricts Parole for Non-Violent Offenders. Authorizes Felony Sentences for Certain Offenses Currently Treated only as Misdemeanors (Constitutional Amendment)

Proposition 20 was placed on the November ballot by voters. This proposition would classify repeat or organized petty theft as a felony, increase parole for three-time parole offenders, and exclude domestic violence and certain non-violent offenders from early parole consideration. Each component of the measure proposes to place limits on the sentence reductions enacted by Proposition 47 and Proposition 57 from 2014 and 2016, which respectively recategorized some non-violent crimes as misdemeanors and offered early release for individuals convicted of certain non-violent offenses.

- *Long Beach Impacts:* By increasing criminal penalties for certain theft-related crimes, this proposition would have an impact on State and local corrections. The Legislative Analyst's Office [estimates](#) that several thousand people would be impacted by this proposition annually, leading to additional State and local correctional costs in the tens of millions per year.

Proposition 21. Expands Local Governments' Authority to Enact Rent Control on Residential Property (Initiative Statute)

Following the failed rent control ballot measure in 2018, Proposition 21 was placed on the November 2020 ballot by voters to repeal the Costa-Hawkins Rental Housing Act. Proposition 21 would amend State law to allow local governments to impose rent control on properties that are at least 15 years old, permitting rent increases on rent-controlled properties of up to 15 percent over three years from previous tenant's rent above any increase allowed by local ordinance. The law would exempt single-family homes and units for which the owner possesses no more than two properties under separate titles.

- Long Beach Impacts: If approved by voters, this proposition would provide more flexibility to local governments to apply local rent control on units currently ineligible under State law.

Proposition 22. Changes Employment Classification Rules for App-Based Transportation and Delivery Drivers (Initiative Statute)

Proposition 22 was placed on the November ballot by voters and funded primarily by Lyft, Uber, and Doordash. In response to the enactment of AB 5 (Chapter 296, Statutes of 2019), which codified gig economy workers as employees, this proposition proposes to reclassify app-based drivers as independent contractors. If approved, Proposition 22 would exempt app-based drivers from the classification designated by AB 5 and, instead, would guarantee an hourly wage, monthly health insurance stipend for certain drivers, benefits if injured while driving for the app, and labor rules related to breaks, harassment, and background checks.

- Long Beach Impacts: This proposition deals with employment classification for app-based rideshare and delivery companies. The City does not contract with driving apps. Therefore, this measure would not have a direct impact on City hiring, operations, programs, or services.

Proposition 23. Authorizes State Regulation of Kidney Dialysis Clinics. Establishes Minimum Staffing and Other Requirements (Initiative Statute)

Proposition 23 was placed on the November ballot by voters, funded by the Service Employees International Union-United Healthcare Workers West. This proposition proposes to require kidney dialysis clinics to have at least one physician onsite during operating hours to report patient infection data to the State. The proposition would also require clinics to offer the same services to all patients and to not discriminate against patients based on payment type.

- Long Beach Impacts: The City does not employ private dialysis clinics. Therefore, this measure would not have a direct impact on City operations, programs, or services.

Proposition 24. Amends Consumer Privacy Laws (Initiative Statute)

Proposition 24 was placed on the November ballot by voters. This proposition proposes to establish the California Privacy Protection Agency and implement stricter business privacy regulations. If approved by voters, this initiative would broaden the scope of existing consumer privacy law in California to make more businesses subject to privacy rules. Under Proposition 24, businesses would be required to delete consumer data upon request, provide consumers

the ability to opt-out of sharing information, and require permission before acquiring information of consumers under the age of 16.

- *Long Beach Impacts:* The City does not regulate business data protection. Therefore, this measure would not have a direct impact on City operations, programs, or services.

Proposition 25. Referendum to Overturn a 2018 Law That Replaced Money Bail System with a System Based on Public Safety Risk

Proposition 25 was placed on the November ballot by voters as a referendum on [SB 10](#) and is funded primarily by the bail bond industry. As a referendum, Proposition 25 asks voters whether SB 10 should go into effect. If approved by the voters, Proposition 25 would uphold SB 10. A “No” vote would repeal the legislation and retain the existing cash bail system. Enacted in 2018, SB 10 proposes to end the use of cash bail as a means to release criminal suspects awaiting trials, and instead would require a system based on risk assessments to determine whether a detained suspect should be granted pretrial release. Without the referendum, the bill would have gone into effect in October 2019.

Under SB 10, most misdemeanor arrests would be booked and released, and individuals with repeat offenses would not be eligible for pretrial release. The risk-assessment system proposed by SB 10 would consider the following factors: (1) low-risk individuals would be released; (2) medium-risk individuals would be released or provided supervised release with the least-restrictive conditions necessary to ensure public safety and the person’s return to court; and, (3) high-risk individuals would not be granted release.

- *Long Beach Impacts:* The direct impacts of this proposition to the City are unclear. If approved, counties would be responsible for implementing the transition from the current cash bail system to a risk-assessment system. While the Legislative Analyst’s Office [estimates](#) increased costs statewide in mid-hundreds of millions of dollars annually, it is unclear how much of those costs would be offset by local savings due to decreased county jail bookings. The implementation of SB 10 would have a direct impact on the County jail system and would require significant changes to pre-trial release operations.

County of Los Angeles Proposition for Mandated Community Investment

On August 4, 2020, the County of Los Angeles Board of Supervisors voted 4-1 to place a [measure](#) on the November ballot. The measure proposes to amend the County’s Charter requiring the County to spend at least 10 percent of its locally-generated revenue on direct community investment and alternatives to incarceration. The allocation would be phased in by June 30, 2024. Direct community investment includes youth development programs, workforce training and development, capital for small minority-owned businesses, rent assistance, and affordable housing. Alternatives to incarceration include restorative justice programs, pretrial services, and health, mental health, and substance use services and programs.

- *Long Beach Impacts:* The measure would place limitations on the County’s spending of unrestricted funds and would have an impact on the County budget priorities. The fiscal and policy impacts, however, are still unclear. While this is unlikely to have direct impacts on the City’s budget and services, it could help increase funding for programs that are prioritized by the City’s Racial Equity and Reconciliation Initiative Initial Report. Certain programs the County provides for the City, such as mental health services, could receive additional funding.

Next Steps

On September 3, 2020, the City's State Legislation Committee will consider potential positions on Propositions 15, 16, 17, 18, and 25, and will forward these recommendations to the full City Council. If you have any questions, please contact Tyler Bonanno-Curley, Manager of Government Affairs, at 562-570-5715.

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