



CALIFORNIA BALLOT PROPOSITION REVIEW

2026

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SOME ISSUES COMMON TO MULTIPLE PROPOSITIONS

- California's tax revenue is heavily dependent on income taxes on high-income earners and is subject to significant yearly swings in tax revenue based on investment performance.
- Proposition 98 (1988) requires 40% of the state's General Fund to be spent on education.
- The Gann Limit: The Gann Limit caps how much the state can spend in a given year. Basically, if the state has a significant increase in tax revenues, it can neither save nor spend all the money: it must refund it to taxpayers. This has happened three times since adoption, most recently in 2020-2021 and 2021-2022.
- The Budget Stabilization Account (the "rainy-day fund") is capped at 10% of the estimated General Fund tax revenues – the state **cannot** save more than that. California hit that cap in 2022-2023 and 2023-2024.
- Collectively, these factors mean that (1) California has a hard time saving money in boom years, (2) suffers significant cuts, especially to education, in bust years, (3) cannot reliably maintain an even level of funding year-over-year, and (4) can have to cut the budget **because** it has a tax revenue surplus.

PROPOSITION 1: YES

Housing Bond Measure

The Bond Measure:

- Authorizes \$10 billion in bonds to fund state housing programs and \$1.25 billion for the veterans' home loan program.
- The bond will fund low- and moderate-income housing development, farmworker housing, student housing at the University of California and California State University campuses, grants for tribal housing, and grants for local government pilot programs to reduce housing costs.

Proponents:

- California Democratic Party; ACLU California Action; League of California Cities; building trades unions; Chamber of Commerce

Opponents:

- Howard Jarvis Taxpayers Association; Reform California

Why Vote Yes?

- California has a housing affordability crisis. These funds will go directly to the construction of new housing and additionally fund pilot programs for local governments to reduce housing costs.

PROPOSITION 2: YES

Budget Stabilization Account Cap Increase and Gann Limit Changes Amendment

The Constitutional Amendment:

- Increases the cap on the state's "rainy-day fund" to 20% of estimated general fund tax revenues, allowing the state to save more in boom years.
- Increasing the amount of capital gains tax revenues that must be deposited into the fund.
- Excludes deposits to the fund from the Gann Limit, helping the state to avoid budget cuts because of an increase in tax revenue.
- Streamlines the process for the declaration of a budget emergency in the May budget revision, which allows for funds to be withdrawn from the "rainy-day fund."

Proponents:

- California Democratic Party; League of Women Voters; California Chamber of Commerce; Gov. Newsom; Legislative Democrats

Opponents:

- Howard Jarvis Taxpayers Association; Reform California; Some Legislative Republicans

Why Vote Yes?

- This amendment will make it easier for the state to save more money in boom years to help avoid or offset budget cuts in years where tax revenue is lower. This will reduce the boom-bust cycle in state budgeting.

PROPOSITION 3: YES

Permanent Funding for Schools and Health Care by Extending Existing Tax on High Incomes

Background:

- In 2012, voters approved a temporary tax on high-income Californians (\$371,000+ for single filers; \$742,000+ for joint filers). In 2016, voters extended the tax rates to 2030.
- The revenue is allocated 89% to K-12 schools; 11% to community colleges. Funds may not be spent for administrative purposes.

The Constitutional Amendment:

- Makes these high-income tax brackets permanent, so they do not expire in 2031.

Proponents:

- California Democratic Party; League of Women Voters; California Professional Firefighters; Teachers Unions; California State PTA; California DSA

Opponents:

- Howard Jarvis Taxpayers Association; Reform California

Why Vote Yes?

- This measure raises between \$5 billion and \$15 billion annually and has been necessary to fund schools and health care.
- If the measure does not pass, the top 2% of income earners in California will receive a marginal rate tax cut of between 1-3%, and would pay the same rate as people earning as low as \$73,000.

PROPOSITION 4: YES

Allows Public Financing of Elections

Background:

- In 1988, California voters prohibited the public financing of elections except for charter cities. Voter approval is required to repeal this ban.

The Initiative:

- Repeals the ban, allowing local governments to enact public financing of elections programs.
- Establishes rules for such programs including, prohibiting the use of funds meant for education or public safety from being used; prohibiting use of public funds for candidates' legal defense; and prohibits discrimination against candidates based on political party or incumbency.

Proponents:

- California Democratic Party; California Working Families Party, League of Women Voters, ACLU of California, Common Cause

Opponents:

- Howard Jarvis Taxpayers Association; Reform California; California Republican Party

Why Vote Yes?

- This measure merely allows public financing of elections programs to be created. Supporters argue public financing programs allow candidates to compete fairly without self-funding or relying on large corporate contributions.

PROPOSITION 5: YES

Eliminate State Officer Recall Successor Elections Amendment

Background:

- Currently, recall elections for state officers involve two votes: one on whether to recall the officer and a second on who should replace the officer if recalled.

The Amendment:

- Eliminates the second vote on a successor if the officer is recalled. A recall would instead leave the office vacant until filled according to state law (e.g., by special election or appointment).
- Allows the recalled officer to run for the same office in the special election.
- Allows the Lieutenant Governor to fill the vacancy if the Governor is recalled during, unless the recall occurs early.

Proponents:

- California Democratic Party; League of Women Voters, Common Cause; Indivisible CA

Opponents:

- Howard Jarvis Taxpayers Association; Reform California; California Republican Party

Why Vote Yes?

- This measure is designed to make it harder to manipulate the recall process by using the ordinary processes for filling a vacancy (i.e., due to death or resignation) rather than a simultaneous election.

PROPOSITION 37: YES

Second Mortgage Homebuyer Program and Revenue Bond Initiative

The Initiative:

- Allows (but does not require) the California Housing Finance Agency to borrow up to \$25 billion to loan to first-time homebuyers who are buying newly constructed housing.
- Funds would be used to help cover the cost of a downpayment – borrowers would still obtain a conventional mortgage for the balance. Private lenders, not taxpayers, are at risk if borrowers default.
- Funds would be available to homebuyers with incomes below 200% of the area's median income.

Proponents:

- California Democratic Party; Realtors; Building Trades; Xavier Becerra; Chamber of Commerce

Opponents:

- Reform California; League of Women Voters

Why Vote Yes?

- To promote new housing construction by making it easier for first-time homebuyers to purchase newly constructed housing
- To make it easier for first-time homebuyers to purchase a home without a large downpayment.

PROPOSITION 38: YES

Immunology and Immunotherapy Research Funding Initiative

The Initiative:

- Authorizes \$8.4 billion in general obligation bonds to fund immunology and immunotherapy research (toward things like Alzheimer's, cancer, and heart disease).
- Allocates 50% of the funds to the UC-affiliated research institute and 50% to other public or nonprofit universities and institutions.
- Requires institute to pay 10% of revenue from discoveries to the state to (1) repay the bonds and (2) fund future research. Grant recipients must sell treatments developed with the funds for a 20% discount in California.

Proponents:

- California Democratic Party; ALS Association; Alzheimer's Association; Nurses; Reform California

Opponents:

- No organized opposition. League of Women Voters oppose.

Why Vote Yes?

- To fund medical research into immunotherapies in California while securing benefits for Californians who end up using the developed technologies and therapies.

PROPOSITION 39: NO

Voter Identification, Citizenship Verification, and Registered Voter List Administration Initiative

The Initiative:

- Requires voters to show government-issued ID when voting or to provide ID number when voting by mail.
- Requires election officials to maintain “accurate” registration lists and verify citizenship attestations.
- Requires State Auditor to audit these efforts and make public reports.

Proponents:

- California Republican Party; Howard Jarvis Taxpayers Association; Reform California; various MAGA billionaires.

Opponents:

- California Democratic Party; various unions; ACLU; Common Cause; League of Women Voters; Planned Parenthood; Disability rights groups

Why Vote No?

- Voter ID laws are unnecessary because (1) voter “fraud” by impersonation is vanishingly rare and (2) requiring government-issued ID unfairly burdens Californians without such IDs or who change their names. Identity theft-risk is increased by writing ID-numbers on outside of mail ballots.
- Creates bizarre risk that a voter will use the wrong type of identification: if a voter registered using their social security number, their ballot would be invalidated if they provide, instead, their driver’s license number.
- Citizenship is **already** confirmed by the Secretary of State at time a voter registers to vote.

PROPOSITION 40: YES

One-Time Wealth Tax (the “Billionaire Tax”)

The Hybrid Initiative/Constitutional Amendment:

- Raises a one-time 5% tax on people and trusts with over \$1 billion in assets. Payments would be spread over 5 years. Applies to all billionaires living in California as-of January 1, 2026. The tax is estimated to raise “tens of billions of dollars.”
- Dedicates 90% of revenues to public healthcare costs (principally Medi-Cal) and 10% to education and food assistance.

Proponents:

- California Democratic Party; Bernie Sanders; various healthcare unions; Teamsters; Unite Here Local 11; California Working Families Party; AFL-CIO; California State PTA

Opponents:

- California Republican Party; Planned Parenthood; the California School Boards Association; Gavin Newsom; various tech billionaires and venture capitalists; California Teachers’ Association; California Medical Association; California Firefighters; LA Times

Why Vote Yes?

- This measure fills a gap in funding for Medicaid and for public and rural hospitals created by the Trump Administration. Without additional funding from the state, hospitals and clinics will close.
- Billionaires pay incredibly low taxes in comparison to their assets and lifestyles. The appreciation of their assets goes untaxed because they borrow against their assets and live on the borrowed money rather than sell the assets (which would result in them paying income taxes on the gains).

PROPOSITION 41: NO

Prohibits New State Taxes that Exclude Revenues from State Spending Limit Amendment

This is the first of two spoiler ballot propositions advanced by billionaires to block Proposition 40.

The Constitutional Amendment:

- Prohibits new taxes that exclude their revenues from the Gann Limit.
- Require audits of any programs to be funded by new special taxes created by initiative. A special tax is one where the funds are dedicated to a specific purpose.
- Supersede any other conflicting ballot measure (Proposition 40) that receives fewer votes than this measure.

Proponents:

- California Republican Party; Howard Jarvis Taxpayers Association; Reform California; various tech billionaires and venture capitalists

Opponents:

- California Democratic Party; League of Women Voters; various healthcare unions

Why Vote No?

- This measure is designed specifically to block Proposition 40 under the guise of its new audit requirements.
- The audit requirements are triggered by the proposal of a tax initiative, even if it never makes it to the ballot. Wasteful and expensive.
- Subjecting all new taxes to the Gann Limit will make it difficult for voters to decide to raise taxes to fund specific programs, without requiring offsetting cuts to other programs. This is too inflexible.

PROPOSITION 42: NO

Prohibit New State Personal Property Taxes Certain Retroactive Taxes Amendment

This is the second of two spoiler ballot propositions advanced by billionaires to block Proposition 40.

The Constitutional Amendment:

- Prohibits new state taxes on personal property including business interests and financial assets, but also including tangible personal property like cars or yachts.
- Prohibits new taxes being assess based on conduct or status prior to the effective date of the new tax.
- Supersede any other conflicting ballot measure (Proposition 40) that receives fewer votes than this measure.

Proponents:

- California Republican Party; Howard Jarvis Taxpayers Association; Reform California; various tech billionaires and venture capitalists

Opponents:

- California Democratic Party; League of Women Voters; various healthcare unions

Why Vote No?

- This measure is designed specifically to block Proposition 40 under the guise of protecting retirement accounts.
- This measure would prohibit new taxes on things already taxed: like vehicle license fees or business equipment taxes. It would also prohibit any effort to tax investments , intellectual property, or tangible property based on their value (i.e., any species of wealth tax).

PROPOSITION 43: NO

Two-Thirds Vote Requirement for Special Local Taxes Amendment

Background:

- Currently, if a local government wants to enact a new special tax or raise an existing special tax, it must put the tax on the ballot and the voters must approve it with a 2/3rds majority.
- However, if **voters** propose the initiative and gather signatures, the tax only requires a simple majority of voters to approve. (An example of this is the San Clemente initiative to raise a tax to pay for sand replenishment on its beaches).

The Amendment:

- Requires voter-sponsored tax initiatives to also pass with a 2/3rds majority.

Proponents:

- Howard Jarvis Taxpayers Association; Reform California; California Republican Party

Opponents:

- California Democratic Party; League of Women Voters; Elected Democrats; Xavier Becerra; firefighters', teachers', and nurses' unions; Sacramento Bee

Why Vote No?

- This is just another conservative effort to make it hard for local governments – and local voters – to raise taxes to address special needs like transit funding, infrastructure, public education, affordable housing, or climate change mitigation.

PROPOSITION 44: NO

Spending Requirements for Federally Qualified Health Centers Initiative

The Initiative:

- Requires Federally Qualified Health Centers to spend at least 90% of their total revenue on their primary charitable mission including, but not limited to patient services. This principally excludes certain administrative costs.
- Imposes financial penalties on FQHCs that fail to meet this spending requirement.

Proponents:

- SEIU-UHW West

Opponents:

- California Democratic Party; League of Women Voters; California Teachers' Association; California Medical Association; Planned Parenthood; Howard Jarvis Taxpayers Association; Reform California

Why Vote No?

- This measure creates a real risk that these clinics will face penalties that could force them to close.
- While billed as a measure to promote spending on patients at a time when federal funds for public clinics has been cut, this is a union's efforts to ensure more funds get spent on their members' salaries.

PROPOSITION 45: NO

Changes to Environmental Review Process for Certain Projects Initiative

The Initiative:

- Amends CEQA to expedite environmental review for most projects. Limits public review and imposes strict, short, time limits for CEQA litigation for included projects.
- Projects subject to these new provisions include housing, transportation (including highways but excluding high-speed rail), internet access (potentially including data centers), wildfire mitigation, first responder and education projects, and clean energy projects (excluding nuclear power).

Proponents:

- Building and contractor organizations; California Chamber of Commerce; Howard Jarvis Taxpayers Association; California Hospital Association; Reform California; some YIMBY groups

Opponents:

- California Democratic Party; League of Women Voters; California Teachers' Association; Building Trades union; Sierra Club; American Lung Association; some YIMBY groups

Why Vote No?

- While streamlining CEQA review for some projects would be good, this corporate-backed initiative would limit CEQA review for polluting projects like highway expansion and hyperscale data centers, but impose full CEQA review on the high-speed rail project.
- The measure would reduce CEQA review for sprawl development – “greenfield” development on undeveloped land – including in areas of high wildfire risk, not merely in-fill development in already developed or blighted areas. A more nuanced, careful reform is necessary.