

GAD Report July

Local

The City of Tracy has taken up the idea of a short-term rental ordinance. For now it's merely a discussion topic and staff has presented a number of options for the council to consider and wait for further direction. We have sent in a letter and expressed our viewpoints. We will continue to monitor this and the Stockton tenant's rights issue.

CA Secretary of State: General Election: Proposition Numbering

The following proposition numbers have been assigned to the ballot measures qualified for the November 3, 2026, General Election.

- Prop 1: The Veterans and Affordable Housing Bond Act of 2026
- Prop 2: Save for California's Future Act
- Prop 3: Provides Permanent Funding for Schools and Healthcare by Extending Existing Tax on High Incomes. Initiative Constitutional Amendment
- Prop 4: Political Reform Act of 1974: public campaign financing: California Fair Elections Act of 2026
- Prop 5: Elections: recall of state officers
- Prop 37: Creates Loan Program for Middle-Income Buyers of Qualified New Homes. Initiative Statute (C.A.R. Sponsored)
- Prop 38: Authorizes Bonds for Immunology Research. Initiative Statute
- Prop 39: Establishes Additional Voter Identification and Citizenship Verification Requirements. Initiative Constitutional Amendment
- Prop 40: Imposes One-Time Tax on Certain Individuals and Trusts. Initiative Constitutional Amendment and Statute
- Prop 41: Requires Audits of Programs Funded by New State Special Taxes. Prohibits New State Taxes That Are Excluded from Existing Voter Approved State Spending Limit. Initiative Constitutional Amendment
- Prop 42: Prohibits New State Personal Property Taxes and Certain Retroactive State Taxes. Initiative Constitutional Amendment
- Prop 43: Local taxes: limitation

- Prop 44: Requires Community Health Clinics Spend 90% of Revenue on Program Services. Initiative Statute
- Prop 45: Modifies Environmental Review for Certain Projects. Initiative Statute

Detailed explanations below

Proposition 1: Affordable housing bond

What it does: This would allow the state to borrow a record \$11.25 billion for affordable housing, with \$10 billion to buy, build, rehabilitate and preserve affordable homes and \$1.25 billion to help veterans buy homes.

Supporters: Newsom, Democratic state lawmakers, the California Apartment Association and AFL-CIO California

Opponents: Republican state lawmakers

Proposition 2: Rainy day fund

What it does: This constitutional amendment from top Democratic leaders would allow the state to deposit up to 20% of its general fund tax revenue into its rainy day fund each year, instead of the current 10%. The state could also spend some tax revenue to pay down its \$20 billion federal unemployment insurance debt.

Supporters: Newsom and legislative Democrats

Opponents: Legislative Republicans

Proposition 3: Make high-earner income tax permanent

What it does: The measure seeks to make permanent a temporary income tax — up to 12% — on high earners that voters approved in 2012. The tax applies to household income over \$721,000 for couples and over \$360,000 for individuals. The tax generates between \$5-15 billion each year for K-12 schools and community colleges. It is set to expire in 2031.

Supporters: California Teachers Association, California Federation of Teachers and California School Employees Association

Opponents: California Taxpayers Association

Proposition 4: Public campaign financing

What it does: This measure would give California governments the authority to set up public financing systems for state and local political candidates. Public campaign financing has been banned in California since 1988. State lawmakers approved the measure last year to send it to voters this November.

Supporters: California Common Cause, California Clean Money Campaign, League of Women Voters and ACLU California Action

Opponents: California Taxpayers Association

Proposition 5: Recall election reform

What it does: After a recall, this constitutional amendment would eliminate the election to pick a successor immediately, such as when Gov. Arnold Schwarzenegger replaced the recalled Gov. Gray Davis, instead leaving the post vacant until it's filled in a separate election. It would also allow the recalled official to run for the office again.

Supporters: League of Women Voters, California Common Cause and Secretary of State Shirley Weber

Opponents: Election Integrity Project California

Proposition 37: \$25 billion homebuying loan

What it does: This would create a \$25 billion mortgage loan program for home buyers who make less than 200% of the area median income. The measure would offer fixed-rate mortgages for up to 17% of the purchase price on homes priced under \$1.5 million. Home buyers must pay at least 3% of their down payment.

Supporters: Former Senate Majority Leader Bob Hertzberg, Building a Better California, the California Association of Realtors, United Brotherhood of Carpenters and Joiners of America and Western States Regional Council of Carpenters

Proposition 38: Immunology research bond

What it does: This would allow the state to borrow \$8.4 billion in debt to research immune system-based technologies for treating conditions including cancer, heart disease and Alzheimer's. The money would be divided between a University of California-affiliated nonprofit and a grant for public or nonprofit institutions. Any resulting technology and drugs from the research would be sold at 20% below the national average.

Supporters: Gary Michelson, philanthropist and funder of the California Institute for Immunology and Immunotherapy, Meyer Luskin, philanthropist and institute board member, The ALS Association, The Alzheimer's Association and Blood Cancer United

Opponents: Robert Kaplan, former associate director of the National Institutes of Health

For the record: This story was updated to add the proposition numbers assigned to each measure. Also, Democratic legislators and Newsom were removed as supporters of Proposition 43, after they brokered the deal to put it on the ballot. Many have not taken a position yet.

Proposition 39: Voter ID

What it does: This constitutional amendment would require voters to present government-issued ID when voting in person or the last four digits of their ID number when voting by mail.

Supporters: Reform California, Californians for Voter ID and Republican U.S. Rep. Ken Calvert

Opponents: League of Women Voters of California, ACLU California Action and California Donor Table

Proposition 40: Billionaire tax

What it does: This high-profile measure would apply a one-time 5% wealth tax on the assets of roughly 200 California billionaires, to be paid over five years. Ninety percent of the revenue would go to pay for healthcare for low-income Californians and 10% toward education and food assistance programs.

Supporters: Service Employees International Union–United Healthcare Workers West, independent U.S. Sen. Bernie Sanders, Teamsters California and AFSCME California

Opponents: Gov. Gavin Newsom, prominent billionaires including Google co-founder Sergey Brin and Ripple Labs co-founder Chris Larsen, the California Teachers Association, California Primary Care Association and California Medical Association

Proposition 41: Audit new tax spending

What it does: This measure in response to the billionaire tax proposal would require state audits of programs funded by new taxes. It would also apply revenue from new taxes to the state's spending cap, which requires that spiking revenue go back to taxpayers or toward education. That would effectively cancel out the wealth tax proposal. If voters approve both measures, the one with more votes will prevail.

Supporters: Building a Better California, primarily funded by Brin and venture capitalists John Doerr and Michael Moritz, Reform California and California Chamber of Commerce

Opponents: Proponents of the billionaire tax initiative

Proposition 42: Prohibit new personal property tax and retroactive taxes

What it does: This measure is also aimed at undercutting the wealth tax proposal. It would prevent new taxes on personal property, which would offset the wealth tax. If both pass, the one with more votes prevails.

Supporters: Building a Better California, Reform California, the State Building and Construction Trades Council of California and California Chamber of Commerce

Opponents: Proponents of the billionaire tax initiative

Proposition 43: Higher threshold for local special taxes

What it does: This would raise the threshold for citizen-driven special tax ballot initiatives to pass from a simple majority to two-thirds, making it harder to impose or increase taxes. The measure, placed on the ballot at the last minute by state lawmakers, reflects a deal state leaders struck with Howard Jarvis Taxpayers Association.

Supporters: Howard Jarvis Taxpayers Association

Proposition 44: Clinic funding

What it does: This measure would require federally qualified health centers to spend 90% of revenue on direct patient care and services that aid in providing care to low-income and underserved people. Clinics that don't comply would be fined; the money would go into a state-operated account for worker training and staffing.

Supporters: Service Employees International Union-United Healthcare Workers West

Opponents: The California Primary Care Association, which represents clinics, the California Medical Association, Planned Parenthood Affiliates of California and the California Teachers Association

Proposition 45: Expedited environmental review

What it does: This would amend the state's landmark California Environmental Quality Act to create deadlines for environmental reviews of most housing, transportation, water, health and clean energy projects to speed up permitting and limit the court's ability to stop or delay developments.

Supporters: California Chamber of Commerce, Building a Better California, the California Building Industry Association, PG&E and Edison

Opponents: Clean and Healthy California, a coalition of environmental advocates and the California State Building and Construction Trades Council.