

General Election

Tuesday, November 8, 2022

Don't Delay, Vote Today!

Early vote-by-mail ballot voting period is from October 11 through November 8, 2022.

Polls are open from 7:00 a.m. to 8:00 p.m. on November 8, 2022, Election Day!



VOTE SAFE CALIFORNIA

Every registered voter in California will receive a vote-by-mail ballot.

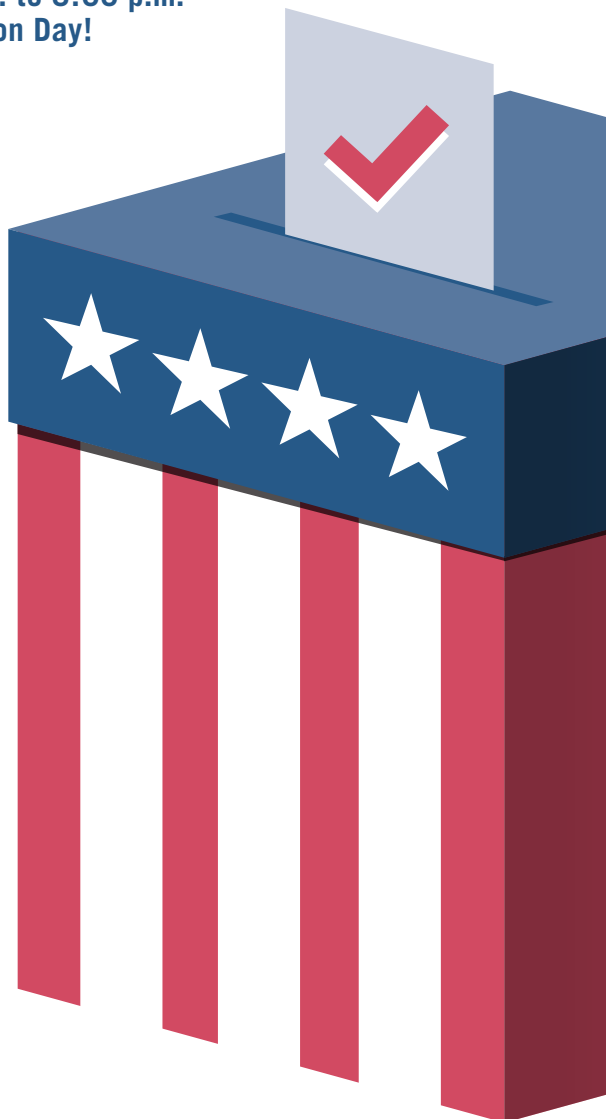
Vote-by-mail ballots are mailed on or before October 10.

Vote-by-mail ballots can be voted and returned as soon as they are received.

Vote-by-mail drop boxes open October 11.

In-person voting options will be available in all counties.

Learn more inside.






Certificate of Correctness

I, Shirley N. Weber, Secretary of State of the State of California, do hereby certify that the information included herein will be submitted to the electors of the State of California at the General Election to be held throughout the State on November 8, 2022, and that this guide has been correctly prepared in accordance with the law. Witness my hand and the Great Seal of the State in Sacramento, California, this 15th day of August, 2022.

Shirley N. Weber, Ph.D.
Secretary of State

VOTER BILL OF RIGHTS

YOU HAVE THE FOLLOWING RIGHTS:

- 1** **The right to vote if you are a registered voter.** You are eligible to vote if you are:
 - a U.S. citizen living in California
 - at least 18 years old
 - registered where you currently live
 - not currently serving a state or federal prison term for the conviction of a felony, and
 - not currently found mentally incompetent to vote by a court
- 2** **The right to vote if you are a registered voter even if your name is not on the list.** You will vote using a provisional ballot. Your vote will be counted if elections officials determine that you are eligible to vote.
- 3** **The right to vote if you are still in line when the polls close.**
- 4** **The right to cast a secret ballot** without anyone bothering you or telling you how to vote.
- 5** **The right to get a new ballot if you have made a mistake,** if you have not already cast your ballot. You can:
 - Ask an elections official at a polling place** for a new ballot,
 - Exchange your vote-by-mail ballot** for a new one at an elections office, or at your polling place, or
 - Vote using a provisional ballot.**
- 6** **The right to get help casting your ballot** from anyone you choose, except from your employer or union representative.
- 7** **The right to drop off your completed vote-by-mail ballot at any polling place** in California.
- 8** **The right to get election materials in a language other than English** if enough people in your voting precinct speak that language.
- 9** **The right to ask questions to elections officials about election procedures** and watch the election process. If the person you ask cannot answer your questions, they must send you to the right person for an answer. If you are disruptive, they can stop answering you.
- 10** **The right to report any illegal or fraudulent election activity** to an elections official or the Secretary of State's office.
 -  On the web at www.sos.ca.gov
 -  By phone at **(800) 345-VOTE (8683)**
 -  By email at elections@sos.ca.gov

**IF YOU BELIEVE YOU HAVE BEEN DENIED ANY OF THESE RIGHTS, CALL THE SECRETARY OF STATE'S
CONFIDENTIAL TOLL-FREE VOTER HOTLINE AT (800) 345-VOTE (8683).**

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Top Contributors to State Candidates and Ballot Measures

When a committee (a person or group of people who receive or spend money for the purpose of influencing voters to support or oppose candidates or ballot measures) raises at least \$1 million, it must report its top 10 contributors to the California Fair Political Practices Commission (FPPC). The committee must update the list when there is any change.

These lists are available on the FPPC website at
<http://www.fppc.ca.gov/transparency/top-contributors.html>.

To research campaign contributions for candidates or ballot measures, visit the Secretary of State's website at powersearch.sos.ca.gov.





Secretary of State

Dear Californian,

While many of the hard-won advances in voting rights have been rolled back in other states, California remains committed to expanding access to voting by making universal vote-by-mail ballots permanent, increasing the number of in-person voting options, offering same-day registration and provisional voting, and expanding the number of days available to vote.

Because attacks on elections and voting rights continue, we are counting on you to vote for what matters to you and your family, to vote for the needs of your communities, and to vote for the health of our democracy.

This Voter Information Guide can help you make decisions about the candidates and issues on the statewide ballot for the November 8, 2022, General Election. In addition to information about how to cast your ballot, this guide includes statewide candidate statements, information about state propositions, and your rights as a California voter.

Below is information I wanted to highlight for you:

Propositions—These are proposed state policies placed on the ballot so voters have the opportunity to vote for or against them. The Legislature has the ability to place constitutional amendments, bond measures, and other proposed changes in law on the ballot, while any California voter can put an initiative or a referendum on the ballot.

In the following pages, you will find a summary of each proposition along with arguments for and against the measure and contact information for the supporters and opponents. You may also find this information at the Secretary of State's website: voterguide.sos.ca.gov.

Vote-By-Mail Now Permanent, But You Still Have In-Person Options!—The Legislature passed AB 37 in 2021, which ensures every active registered voter will be sent a vote-by-mail ballot with the option to return their ballot by mail, in person, or at a secure drop box. Whichever option you choose, remember to sign and seal your ballot before you return it!

Track Your Ballot—Track your vote-by-mail ballot by signing up at WheresMyBallot.sos.ca.gov to receive text, email, or voice status alerts.

More Days, More Ways to Vote in Voter's Choice Act Counties—There are now 27 Voter's Choice Act counties (VCA). For more information, visit www.sos.ca.gov/elections/voters-choice-act.

Make A Plan To Vote—Making a plan makes it more likely you will vote. Will you return your ballot by mail? Drop it at a drop box? Or vote in person at a neighborhood polling place or vote center? Research your options and make a plan today!

Thank you for keeping our democracy strong!

QUICK REFERENCE GUIDE

PROP 1 CONSTITUTIONAL RIGHT TO REPRODUCTIVE FREEDOM. LEGISLATIVE CONSTITUTIONAL AMENDMENT.

SUMMARY *Put on the Ballot by the Legislature*

Amends California Constitution to expressly include an individual's fundamental right to reproductive freedom, which includes the fundamental right to choose to have an abortion and the fundamental right to choose or refuse contraceptives. This amendment does not narrow or limit the existing rights to privacy and equal protection under the California Constitution. **Fiscal Impact:** No direct fiscal effect because reproductive rights already are protected by state law.

WHAT YOUR VOTE MEANS

YES A YES vote on this measure means: The California Constitution would be changed to expressly include existing rights to reproductive freedom—such as the right to choose whether or not to have an abortion and use contraceptives.

NO A NO vote on this measure means: The California Constitution would not be changed to expressly include existing rights to reproductive freedom. These rights, however, would continue to exist under other state law.

ARGUMENTS

PRO Yes on 1 places the fundamental right to abortion and the fundamental right to contraceptives in the Constitution. Yes on 1 protects individual choices on reproductive care and the right to choose to have an abortion, keeping medical decisions where they belong—between a patient and their provider. YESon1CA.com

CON Proposition 1 is an extreme law that allows late-term abortions at taxpayer expense up to the moment of birth—even if the baby is healthy and the mother's health is not threatened. Current California law already guarantees a woman's right to choose, making this extreme and costly proposal unnecessary.

FOR ADDITIONAL INFORMATION

FOR

Yes on Prop. 1, Protect Abortion Rights
(916) 238-8392
info@YESon1CA.com
YESon1CA.com

AGAINST

K. Reid
California Together, No on Proposition 1
P.O. Box 13813
Sacramento, CA 95853
(916) 484-4008
info@NoProposition1.com
www.NoProposition1.com

PROP 26 ALLOWS IN-PERSON ROULETTE, DICE GAMES, SPORTS WAGERING ON TRIBAL LANDS. INITIATIVE CONSTITUTIONAL AMENDMENT AND STATUTE.

SUMMARY *Put on the Ballot by Petition Signatures*

Also allows: sports wagering at certain horseracing tracks; private lawsuits to enforce certain gambling laws. Directs revenues to General Fund, problem-gambling programs, enforcement. **Fiscal Impact:** Increased state revenues, possibly reaching tens of millions of dollars annually. Some of these revenues would support increased state regulatory and enforcement costs that could reach the low tens of millions of dollars annually.

WHAT YOUR VOTE MEANS

YES A YES vote on this measure means: Four racetracks could offer in-person sports betting. Racetracks would pay the state a share of sports bets made. Tribal casinos could offer in-person sports betting, roulette, and games played with dice (such as craps) if permitted by individual tribal gambling agreements with the state. Tribes would be required to support state sports betting regulatory costs at casinos. People and entities would have a new way to seek enforcement of certain state gambling laws.

NO A NO vote on this measure means: Sports betting would continue to be illegal in California. Tribal casinos would continue to be unable to offer roulette and games played with dice. No changes would be made to the way state gambling laws are enforced.

ARGUMENTS

PRO YES on 26 authorizes sports wagering in-person at tribal casinos. Limits sports wagering to adults only. Prop. 26 supports Indian self-reliance by providing revenue for tribal education, healthcare and other vital services. Prop. 26 promotes safe, responsible gaming and helps stop and prevent illegal gambling. Stand with Tribes: YES on 26.

CON Prop. 26 is a massive expansion of gambling that will lead to more underage gambling and addiction. Prop. 26 is sponsored by five wealthy gaming tribes who want to expand their monopoly on gambling to include sports betting. At the same time, Prop. 26 will devastate other communities of color. No on Prop. 26.

FOR ADDITIONAL INFORMATION

FOR

Coalition for Safe, Responsible Gaming
1017 L Street #408
Sacramento, CA 95814-3805
(888) 256-8602
info@YESon26.com
YESon26.com

AGAINST

No on 26—Taxpayers Against Special Interest Monopolies
(916) 237-7398
Info@VoteNoOnProp26.org
www.VoteNoOnProp26.org

QUICK REFERENCE GUIDE

PROP
27

ALLOWS ONLINE AND MOBILE SPORTS WAGERING
OUTSIDE TRIBAL LANDS. INITIATIVE CONSTITUTIONAL
AMENDMENT AND STATUTE.

SUMMARY

Put on the Ballot by Petition Signatures

Allows Indian tribes and affiliated businesses to operate online/mobile sports wagering outside tribal lands. Directs revenues to regulatory costs, homelessness programs, nonparticipating tribes. **Fiscal Impact:** Increased state revenues, possibly in the hundreds of millions of dollars but not likely to exceed \$500 million annually. Some revenues would support state regulatory costs, possibly reaching the mid-tens of millions of dollars annually.

WHAT YOUR VOTE MEANS

YES A YES vote on this measure means: Licensed tribes or gambling companies could offer online sports betting over the Internet and mobile devices to people 21 years of age and older on non-tribal lands in California. Those offering online sports betting would be required to pay the state a share of sports bets made. A new state unit would be created to regulate online sports betting. New ways to reduce illegal online sports betting would be available.

NO A NO vote on this measure means: Sports betting would continue to be illegal in California. No changes would be made to the way state gambling laws are enforced.

ARGUMENTS

PRO Proposition 27 is supported by California Tribes and homelessness and mental health experts. For the first time, Prop. 27 PERMANENTLY funds housing, mental health and addiction treatment by regulating and taxing online sports betting. Prop. 27 contains strict rules protecting minors, regular audits, and oversight by the Attorney General.

CON Prop. 27 is a deceptive scheme funded by out-of-state gambling corporations to legalize a massive expansion of online and mobile sports gambling. Prop. 27 is NOT a “solution” to homelessness. 90% of profits would go to out-of-state corporations. Prop. 27 is opposed by 50+ California Tribes. Vote NO on 27.

FOR ADDITIONAL INFORMATION

FOR

<https://yestoprop27.com>

AGAINST

NO on Prop. 27
1017 L Street #408
Sacramento, CA 95814-3805
(888) 256-8602
info@NoProp27.com
NoProp27.com;
FinePrint27.com

PROP
28

PROVIDES ADDITIONAL FUNDING FOR ARTS AND MUSIC
EDUCATION IN PUBLIC SCHOOLS. INITIATIVE STATUTE.

SUMMARY

Put on the Ballot by Petition Signatures

Provides additional funding from state General Fund for arts and music education in all K–12 public schools (including charter schools). **Fiscal Impact:** Increased state costs of about \$1 billion annually, beginning next year, for arts education in public schools.

WHAT YOUR VOTE MEANS

YES A YES vote on this measure means: The state would provide additional funding specifically for arts education in public schools. This amount would be above the constitutionally required amount of funding for public schools and community colleges.

NO A NO vote on this measure means: Funding for arts education in public schools would continue to depend on state and local budget decisions.

ARGUMENTS

PRO Barely one in five California public schools have a full-time arts or music program. Prop. 28 provides additional funding to ensure every student in PK–12 public school has access to arts and music education—without raising taxes. Protects existing education funding. Includes strict accountability, transparency. Parents, teachers and children support.

CON No argument against Proposition 28 was submitted.

FOR ADDITIONAL INFORMATION

FOR

Yes on 28—Californians for
Arts and Music in Schools
info@voteyeson28.org
voteyeson28.org

AGAINST

QUICK REFERENCE GUIDE

**PROP
29**

REQUIRES ON-SITE LICENSED MEDICAL PROFESSIONAL AT KIDNEY DIALYSIS CLINICS AND ESTABLISHES OTHER STATE REQUIREMENTS. INITIATIVE STATUTE.

SUMMARY

Put on the Ballot by Petition Signatures

Requires physician, nurse practitioner, or physician assistant on site during treatment. Requires clinics to: disclose physicians' ownership interests; report infection data.

Fiscal Impact: Increased state and local government costs likely in the tens of millions of dollars annually.

WHAT YOUR VOTE MEANS

YES A YES vote on this measure means: Chronic dialysis clinics would be required to have a physician, nurse practitioner, or physician assistant on-site during all patient treatment hours.

NO A NO vote on this measure means: Chronic dialysis clinics would not be required to have a physician, nurse practitioner, or physician assistant on-site during all patient treatment hours.

ARGUMENTS

PRO Dialysis patients deserve protection under the law. Prop. 29 will help ensure they receive safe treatment in dialysis clinics under the care of a doctor or another highly trained clinician in case of emergencies, without risk of infection, and without discrimination.

CON Join dialysis patients, American Nurses Association\California, California Medical Association and patient advocates: NO on 29—another dangerous dialysis proposition! Prop. 29 would shut down dialysis clinics and threaten the lives of 80,000 California patients who need dialysis to survive. California voters have overwhelmingly rejected similar dialysis propositions twice. Stop yet another dangerous dialysis proposition. NoProp29.com

FOR ADDITIONAL INFORMATION

FOR

Suzanne Jimenez
CALIFORNIANS FOR KIDNEY
DIALYSIS PATIENT
PROTECTION—YES ON 29.
SPONSORED BY SERVICE
EMPLOYEES
INTERNATIONAL UNION-
UNITED HEALTHCARE
WORKERS WEST
777 S. Figueroa Street,
Suite 4050, Los Angeles, CA
90017
(323) 888-8286
info@YesOn29.org
http://www.YesOn29.org

AGAINST

No on 29—Yet Another
Dangerous Dialysis
Proposition
(800) 578-7350
info@NoProp29.com
NoProp29.com

**PROP
30**

PROVIDES FUNDING FOR PROGRAMS TO REDUCE AIR POLLUTION AND PREVENT WILDFIRES BY INCREASING TAX ON PERSONAL INCOME OVER \$2 MILLION. INITIATIVE STATUTE.

SUMMARY

Put on the Ballot by Petition Signatures

Allocates tax revenues to zero-emission vehicle purchase incentives, vehicle charging stations, and wildfire prevention.

Fiscal Impact: Increased state tax revenue ranging from \$3.5 billion to \$5 billion annually, with the new funding used to support zero-emission vehicle programs and wildfire response and prevention activities.

WHAT YOUR VOTE MEANS

YES A YES vote on this measure means: Taxpayers would pay an additional tax of 1.75 percent on personal income above \$2 million annually. The revenue collected from this additional tax would support zero-emission vehicle programs and wildfire response and prevention activities.

NO A NO vote on this measure means: No change would be made to taxes on personal income above \$2 million annually.

ARGUMENTS

PRO Wildfires are devastating California. Prop. 30 taxes only the wealthiest Californians—annual income over \$2 million—to fund wildfire prevention and clean air programs. Funds forest management, more firefighters and equipment. Helps consumers afford zero-emission vehicles; creates statewide charging network. STRICT ACCOUNTABILITY—audits, penalties. State firefighters, environmental groups, energy experts support.

CON Prop. 30 raises taxes by up to \$90 billion for as long as 20 years, increasing costs for every Californian. Prop. 30 will severely strain our struggling electricity grid already at risk of rolling blackouts. Join taxpayers, teachers, and small businesses to reject this unnecessary tax increase. No on Prop. 30!

FOR ADDITIONAL INFORMATION

FOR

Clean Air California
www.Yeson30.org
info@yeson30.org

AGAINST

No on 30
(916) 209-0323

QUICK REFERENCE GUIDE

PROP
31

REFERENDUM ON 2020 LAW THAT WOULD PROHIBIT THE
RETAIL SALE OF CERTAIN FLAVORED TOBACCO PRODUCTS.

SUMMARY

Put on the Ballot by Petition Signatures

A “Yes” vote approves, and a “No” vote rejects, a 2020 law prohibiting retail sale of certain flavored tobacco products.

Fiscal Impact: Decreased state tobacco tax revenues ranging from tens of millions of dollars annually to around \$100 million annually.

WHAT YOUR VOTE MEANS

YES A YES vote on this measure means: In-person stores and vending machines could not sell most flavored tobacco products and tobacco product flavor enhancers.

NO A NO vote on this measure means: In-person stores and vending machines could continue to sell flavored tobacco products and tobacco product flavor enhancers, as allowed under other federal, state, and local rules.

ARGUMENTS

PRO Yes on 31 protects kids by ending the sale of candy-flavored tobacco, including e-cigarettes and minty-menthol cigarettes. 80% of kids who’ve used tobacco started with a flavored tobacco product. A YES on 31 vote will save lives and save taxpayers money by preventing tobacco related healthcare expenses.

CON Prop. 31 is adult prohibition. It is ALREADY illegal to sell any tobacco products—including vapes—to anyone under 21. Prop. 31 costs taxpayers \$1 billion over four years, while criminal gangs benefit by controlling increased smuggling and underground markets, leading to more neighborhood crime. Prohibition never works. Vote No on Prop. 31.

FOR ADDITIONAL INFORMATION

FOR

Yes on Proposition 31,
Committee to Protect
California Kids
555 Capitol Mall, Suite 400
Sacramento, CA 95814
Info@YesonProp31.com
VoteYeson31.com

AGAINST

VoteNoOnProp31.com

No Stamp Needed!

All California vote-by-mail ballots include a return envelope with prepaid postage. This ensures that voting is free and convenient for all California voters. After you have filled out your vote-by-mail ballot, place it in the return envelope, seal the envelope, sign on the designated line, and put it into a mailbox or secure drop box or deliver it to a polling place, vote center, or county elections office between October 11 and November 8, 2022, by 8:00 p.m.

Find Your Polling Place or a Vote Center

Polling places and vote centers are established by county elections officials. Look for your polling place address or vote center locations in the county Voter Information Guide that you receive in the mail a few weeks before Election Day.

You may also visit the Secretary of State’s website at vote.ca.gov or call the toll-free Voter Hotline at (800) 345-VOTE (8683).

You can also text “Vote” to GOVOTE (468683) to find the location of your polling place or nearest vote center.



Election results for the November 8, 2022, General Election are available after the polls close at 8:00 p.m. on the California Secretary of State’s Election Results website at <https://electionresults.sos.ca.gov>.

Results will begin to be posted at 8:00 p.m. and will be updated throughout Election Night. In the days afterwards, the results will be updated at 5:00 p.m. each day throughout the canvass as counties count the remaining ballots.

The official certified results of the election will be posted by December 16, 2022, at www.sos.ca.gov/elections.

Don't Delay, Vote Today!

County elections officials will begin sending vote-by-mail ballots to California voters no later than October 10, 2022.

The vote-by-mail ballot voting period begins as soon as ballots are in the mail. Make your voice heard early! Return your vote-by-mail ballot during the voting period of October 11 through the close of polls on November 8.

Voting by Mail is EASY.

Democracy is counting on you! Follow these five easy steps to exercise your right to vote:



Complete it.

Mark your choices on your vote-by-mail ballot.



Seal it.

Secure your ballot inside the vote-by-mail ballot return envelope you received from your county elections office.



Sign it.

Sign the outside of your vote-by-mail ballot return envelope.

Make sure your signature matches the one on your CA driver license/state ID, or the one you provided when registering to vote. Your county elections office will compare them before they count your ballot.



Return it.

By drop box—Drop off your completed vote-by-mail ballot at a secure official drop box in your county at any time between October 11 through the close of polls on November 8.





By mail—Make sure your vote-by-mail ballot return envelope is postmarked by November 8. No stamp needed!

In person—Drop your completed vote-by-mail ballot off at a secure drop box, polling place, vote center, or county elections office by 8:00 p.m. on November 8. Voting locations will be available in all counties before Election Day. Voting locations offer voter registration, replacement ballots, accessible voting machines, and language assistance.



Track it.

Sign up at WheresMyBallot.sos.ca.gov to receive updates on the status of your vote-by-mail ballot by text message (SMS), email, or voice call.

	<p>Franklin County Elections Department 4321 Franklin Avenue Franklin, HN 99999-1234</p>	
	<p>RETURN SERVICE REQUESTED</p>	
<p>Vote-by-mail Official ballot Vota por correo Boleta oficial</p>	<p>OFFICIAL VOTE-BY-MAIL BALLOT MATERIAL</p>	
	<div><p>Valentina Q. Voter 5678 Seventh Ave, Apt 9863 Franklin, HN 99999-1278</p></div>	

More Days, More Ways to Vote

with the California Voter's Choice Act

Vote in person up to 10 days prior to Election Day

- Alameda
- Amador
- Butte
- Calaveras
- El Dorado
- Fresno
- Kings
- Los Angeles
- Madera
- Marin
- Mariposa
- Merced
- Napa
- Nevada
- Orange
- Riverside
- Sacramento
- San Benito
- San Diego
- San Mateo
- Santa Clara
- Santa Cruz
- Stanislaus
- Sonoma
- Stanislaus
- Tuolumne
- Ventura
- Yolo



In California, you will automatically receive a ballot before every election. Living in a Voter's Choice Act (VCA) county means more options when it comes to voting.

Vote by mail:

Return your ballot by mail **as soon as you receive it!**

Use a drop box:

Return your ballot to a secure drop off location **up to 28 days before the election.**

Vote in person:

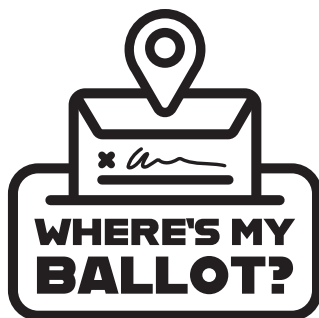
- Vote in person anywhere in the county **up to 10 days before the election.**
- Register to vote and vote same day.
- Drop off your ballot.

Visit CAEarlyVoting.sos.ca.gov or call (800) 345-VOTE (8683) to learn more.



VCA.SOS.CA.GOV





**Tracking your ballot
—when it is mailed, received, and counted—
has never been easier.**

WheresMyBallot.sos.ca.gov

The California Secretary of State now offers voters a way to track and receive notifications on the status of their vote-by-mail ballot. “Where’s My Ballot?” lets voters know where their ballot is, and its status, every step of the way. Sign up at *WheresMyBallot.sos.ca.gov*.

When you sign up for “Where’s My Ballot?,” you will receive automatic updates when your county elections office:

- Mails your ballot
- Receives your ballot
- Counts your ballot
- Finds an issue with your ballot

Voters who sign up at *WheresMyBallot.sos.ca.gov* can choose to receive automatic updates by:

- Email
- Text Message (SMS)
- Voice Call



CONSTITUTIONAL RIGHT TO REPRODUCTIVE FREEDOM. LEGISLATIVE CONSTITUTIONAL AMENDMENT.

OFFICIAL TITLE AND SUMMARY

PREPARED BY THE ATTORNEY GENERAL

The text of this measure can be found on page 77 and the Secretary of State's website at voterguide.sos.ca.gov.

- Existing California laws provide that every individual has a fundamental right to privacy in their personal reproductive decisions, which includes the fundamental right to choose to have an abortion and the fundamental right to choose or refuse contraceptives.
- This measure would amend the California Constitution to expressly include these fundamental rights and prohibit the State from denying or interfering with an individual's reproductive freedom in their most intimate decisions.
- This amendment is intended to further the existing California constitutional rights to privacy and equal protection, and does not narrow or limit these rights.

SUMMARY OF LEGISLATIVE ANALYST'S ESTIMATE OF NET STATE AND LOCAL GOVERNMENT FISCAL IMPACT:

- No direct fiscal effect because reproductive rights already are protected by state law.

FINAL VOTES CAST BY THE LEGISLATURE ON SCA 10 (PROPOSITION 1) (CHAPTER 97, STATUTES OF 2022)

Senate:	Ayes 29	Noes 8
Assembly:	Ayes 58	Noes 17

ANALYSIS BY THE LEGISLATIVE ANALYST

BACKGROUND

FEDERAL LAW

Due to Recent Court Case, Right to Abortion No Longer Protected by U.S. Constitution. In the past, the U.S. Supreme Court found that the U.S. Constitution generally protected the right to abortion. As a result, states had limited ability to place restrictions on abortions. However, in June 2022, the U.S. Supreme Court decided that the U.S. Constitution does not protect the right to abortion. As such, states now have more flexibility to decide whether to allow, limit, or ban abortions.

Federal Law Protects Rights to Contraceptives.

The U.S. Supreme Court has found that the U.S. Constitution protects the right to buy and use contraceptives (such as condoms, birth control pills, and other birth control products). In addition, federal law requires most health insurance plans to pay for contraceptives.

STATE LAW

State Law Provides Right to Reproductive Privacy.

The California Constitution guarantees everyone the right to privacy but does not define what this right includes. However, the California Supreme Court has found that this right to privacy includes the

ANALYSIS BY THE LEGISLATIVE ANALYST

CONTINUED

right to make reproductive choices, such as whether or not to have an abortion or use contraceptives. In addition, state law was later passed to expressly protect these rights.

State Law Places Some Restrictions on Abortions. Because of the way California courts have interpreted the right to privacy, the state can only restrict abortions when needed to meet certain state interests such as public health and safety. For example, California law requires abortion providers to be licensed. In addition, abortions can only be performed on a viable fetus if the pregnancy puts the health or life of the person who is pregnant at risk. Under state law, a fetus is considered viable if the fetus likely would be able to survive outside the uterus.

STATE HELPS PAY FOR HEALTH CARE FOR MANY CALIFORNIANS

California Provides Health Care to Many Low-Income Californians. The federal-state Medicaid program, known as Medi-Cal in California, provides health coverage to eligible low-income California residents. Health care services covered by Medi-Cal include abortions and contraceptives. The state and federal government share the cost of most Medi-Cal services including contraceptives. However, the state pays the full cost of abortions provided through Medi-Cal.

Many Californians Purchase Health Insurance Through Covered California. About 2 million Californians buy health insurance plans through the state's health insurance market, Covered California. Health care services covered by these plans include abortions and contraceptives. For most people enrolled

in Covered California, the state and federal government help pay for at least some of the cost of buying these plans. However, the state alone pays for the cost of the plans to cover abortions for these people.

PROPOSAL

Proposition 1 changes the California Constitution to say that the state cannot deny or interfere with a person's reproductive freedom and that people have the fundamental right to choose:

- Whether or not to have an abortion.
- Whether or not to use contraceptives.

FISCAL EFFECTS

No Direct Fiscal Effect. Proposition 1 would change the California Constitution to expressly include existing rights to reproductive freedom. Because these rights already exist in California, the proposition would have no direct fiscal effect. However, whether a court might interpret the proposition to expand reproductive rights beyond existing law is unclear. If a court finds that the proposition expands these rights, there could be fiscal effects to the state.

Visit <https://www.sos.ca.gov/campaign-lobbying/cal-access-resources/measure-contributions/2022-ballot-measure-contribution-totals> for a list of committees primarily formed to support or oppose this measure.

Visit <https://www.fppc.ca.gov/transparency/top-contributors.html> to access the committee's top 10 contributors.

★ ARGUMENT IN FAVOR OF PROPOSITION 1 ★

VOTE YES ON PROP. 1.

It's simple: Proposition 1 will enshrine the fundamental right to an abortion and a fundamental right to contraceptives in the California State Constitution.

For nearly 50 years, Americans have relied on the legal principle set by *Roe v. Wade* that allowed individuals to make their own reproductive health decisions privately. Access to abortion is no longer federally protected and is under attack across the country.

YES ON PROP. 1 PROTECTS THE RIGHT TO REPRODUCTIVE FREEDOM.

Prop. 1 amends the California State Constitution to explicitly prohibit interference with individual choices on reproductive health. It ensures a fundamental right to choose to have an abortion and protects access to contraceptives. These rights are consistent with existing state constitutional rights to privacy and equal protection under the law.

YES ON PROP. 1 WILL ENSURE THE CHOICE TO SEEK COMPREHENSIVE REPRODUCTIVE HEALTH CARE, INCLUDING ABORTION, WILL ALWAYS BE PROTECTED IN CALIFORNIA.

Millions in other states have already lost their right to an abortion. In those states, patients could be sent to prison for seeking abortions even in the case of miscarriages. And most will be prevented from having abortions even in cases of rape or incest. Their health care providers could also be held criminally liable.

DOCTORS, NURSES AND HEALTH PROVIDERS ALL AGREE.

Yes on Prop. 1 is necessary to keep reproductive medical decisions where they belong—with individuals and their health care providers, based on scientific facts, not political agendas.

Prop. 1 will also protect how a person decides to use contraceptives and establishes guardrails that allow a person to make the choice themselves on how to use or to refuse contraceptives, based on their individual needs.

WE CANNOT—AND MUST NOT—GO BACKWARDS.

Before 1973, women needing essential reproductive health care were often forced to travel long distances or made to seek illegal care, even in the most extreme cases.

Children growing up today should not have fewer rights than their grandparents. But unless we pass Prop. 1, our rights in California could be at risk.

Access to affordable, comprehensive reproductive health care, including abortion, allows people to plan their lives and achieve their dreams. Yes on Prop. 1 protects access to the care that will give individuals and families the freedom to make those choices.

The California Medical Association, Planned Parenthood Affiliates of California, and the League of Women Voters of California support Prop. 1 because no matter who or what political party controls the government, a person's right to an abortion or contraceptives should be protected in California.

We must lead the way to ensure that those who need access to care can get it in California.

Learn more at YESon1CA.com.

VOTE YES ON PROP. 1.

Shannon Udovic-Constant, M.D., Board Chair
California Medical Association

Jodi Hicks, President
Planned Parenthood Affiliates of California

Carol Moon Goldberg, President
League of Women Voters of California

★ REBUTTAL TO ARGUMENT IN FAVOR OF PROPOSITION 1 ★

Proposition 1 is NOT needed to protect abortion rights. But it WILL cost California taxpayers millions.

"California law already allows access to abortion and contraception," says constitutional attorney Heather Hacker. "But unlike state law, which limits late-term abortions unless medically necessary, Proposition 1 has no limit on late-term abortions."

Like other constitutional amendments, Proposition 1 will face numerous lawsuits and court challenges, leaving its fate subject to judicial interpretation.

Do we really want judges deciding this issue?

Equally untrue are claims that Proposition 1 limits late-term abortions. It does not.

Read Proposition 1 for yourself. It contains NO language limiting late-term abortions, nor does it prevent tax money from being used to fund abortions.

The Legislature has already INCREASED abortion funding by \$200 million this year. But advocates of Proposition 1 say that may not be enough. With Proposition 1, the number of abortion seekers from other states will soar, at the expense of California taxpayers.

This is blatantly unfair.

According to *The San Jose Mercury News*, clinics in San Diego, Riverside and Imperial counties have already seen a 1,246% increase in women seeking abortions—just from Arizona.

Proposition 1 is a multi-million-dollar waste of tax money that is not needed to protect women's reproductive freedom. It allows late-term abortions without limitation, and will ignite a protracted legal battle that could take years and cost millions.

To protect taxpayers and existing abortion rights, and to preserve reasonable limits on late-term abortions, vote "NO" on Proposition 1.

Allison Martinez, Executive Director
California Alliance of Pregnancy Care

Brad Dacus, President
Pacific Justice Institute

Dr. Vansen Wong, Gynecologist

★ ARGUMENT AGAINST PROPOSITION 1 ★

1

Those of us signing this argument have differing views on many issues, including abortion.

But we all agree Proposition 1 is an extreme, expensive, and pointless waste of tax money that will allow unrestricted late-term abortions costing taxpayers millions. This is not the answer.

Proposition 1 was put on the ballot for one reason—to score political points, not to make serious policy.

Women already have the right to choose under current California law. The recent U.S. Supreme Court ruling did not and will not change this. Proposition 1 is NOT needed to protect women’s health or their reproductive rights.

Abortions are already legal in California with reasonable limits on late-term abortions, which are allowed if medically necessary to protect the life or health of the mother.

Proposition 1 will destroy this important balance and bake the most extreme abortion law possible into our state constitution.

Proposition 1 will allow late-term abortions at taxpayer expense WITHOUT limitation for any reason at any time up to the moment of birth—even when the mother’s life is not in danger, even when the healthy baby could survive outside the womb.

Instead of preserving our state’s compassionate and carefully balanced limits on late-term abortions, Proposition 1 will push California far outside the mainstream. Today, most states and 47 European countries limit late-term abortions, including California. A recent Harris Poll found that 90% of Americans support limits on late-term abortions. Likewise, recent polling shows that most California voters support limitations on late-term abortions, as well.

By allowing abortion without limit, Proposition 1 will

turn California into a “sanctuary state” for thousands, possibly millions, of abortion seekers from other states, at a staggering cost to taxpayers.

The pro-abortion Guttmacher Institute estimates that California could see a nearly 3,000% increase in the number of people from other states seeking abortions here, with many coming for more expensive late-term abortions. According to the report, California’s annual out-of-state patient load could climb from 46,000 people a year to 1.4 million.

Without limits on late-term abortions, Proposition 1 will push these numbers even higher, draining millions of tax dollars at a time when taxpayers are struggling with inflation and sky-high gas prices.

The Legislature has already committed over \$200 million this year to expand abortion and reproductive services, including tens of millions to pay the expenses for abortion seekers from other states. With a 3,000% increase in the number of people from other states wanting abortions, millions of dollars more will be required to meet soaring demand.

Proposition 1 is an extreme and costly proposal that does nothing to advance women’s health or their right to choose. It punishes taxpayers and eliminates all limits on late-term abortions in defiance of what most voters want.

Proposition 1 is a cynical political stunt that was put on the ballot to score political points, not make sensible policy. As usual, taxpayers will pay the price.

We urge a “NO” vote on Proposition 1. It deserves defeat.

Dr. Anne Marie Adams, Gynecologist

Tak Allen, President

International Faith Based Coalition

Assemblymember Jim Patterson

★ REBUTTAL TO ARGUMENT AGAINST PROPOSITION 1 ★

Proposition 1 ensures that reproductive health care—including the right to an abortion—is protected in the State Constitution. This amendment explicitly defines in the State Constitution that people have the freedom to access abortions and contraceptives. This would prevent those rights from being taken from Californians just as it was recently stripped by the conservative U.S. Supreme Court.

Don’t be misled by opponents. We can’t go back.

Prop. 1 does not change how or when a person can access an abortion in California.

Existing California law provides that women have the right to choose to have an abortion prior to viability, or to protect the woman’s life or health. Proposition 1 will not change that.

Don’t fall for scare tactics from opponents.

Prop. 1 simply amends the State Constitution to prohibit interference with individual choices on reproductive health care and the fundamental right to choose to have an abortion.

Decisions about abortion and contraception are deeply

personal. They are best made with a health care provider who can provide expert guidance and are bound by professional and ethical standards. Prop. 1 protects that right.

Don’t let California go backwards. While the U.S. Supreme Court has turned its back on science, safety and equality with a reversal of *Roe v. Wade*, Prop. 1 ensures that the choice to seek comprehensive reproductive health care will always be protected in California.

Reproductive medical decisions should be made with health care providers, based on scientific facts, free of politics.

YESon1CA.com

Vote YES on Prop. 1.

Sandy Reding, R.N., President

California Nurses Association

Kelly McCue, M.D., District IX Chair

American College of Obstetricians and Gynecologists

Cary Franklin, J.D., Faculty Director

UCLA Center on Reproductive Health, Law and Policy

PROPOSITION
26 **ALLOWS IN-PERSON ROULETTE, DICE GAMES, SPORTS WAGERING ON TRIBAL LANDS. INITIATIVE CONSTITUTIONAL AMENDMENT AND STATUTE.**

OFFICIAL TITLE AND SUMMARY

PREPARED BY THE ATTORNEY GENERAL

26

The text of this measure can be found on page 77 and the Secretary of State's website at voterguide.sos.ca.gov.

- Allows federally recognized Indian tribes to operate roulette, dice games, and sports wagering on-site on tribal lands, if authorized by gaming compacts approved by the State.
- Allows sports wagering at certain licensed horseracing tracks in four counties for persons 21 years and older, and imposes 10% tax on sports-wagering profits at these tracks; directs revenues to state General Fund (70%), problem-gambling programs (15%), and enforcement (15%).
- Prohibits marketing of sports wagering to persons under 21.
- Allows private lawsuits to enforce certain gambling laws.

SUMMARY OF LEGISLATIVE ANALYST'S ESTIMATE OF NET STATE AND LOCAL GOVERNMENT FISCAL IMPACT:

- Increased state revenues, possibly reaching the tens of millions of dollars annually, from racetrack and tribal casino sports betting payments and gambling penalties. Some of these revenues would be a shift from existing state revenues.
- Increased state costs to regulate in-person sports betting, possibly reaching the low tens of millions of dollars annually. Some or all of these costs would be offset by the increase in state revenues.
- Increased state costs to enforce gambling laws, not likely to exceed the low millions of dollars annually. Some of these costs could be offset by the increase in state revenues.

ANALYSIS BY THE LEGISLATIVE ANALYST

BACKGROUND

Gambling in California. The California Constitution and state law limit gambling in California. For example, state law bans sports betting, roulette, and games with dice (such as craps). However, it allows some gambling. This includes:

- ***State Lottery.*** About 23,000 stores in all 58 counties sell state lottery games. Lottery sales—after prizes and operation costs—support education. About \$1.9 billion in lottery revenue supported education last year.
- ***Cardrooms.*** Currently, 84 cardrooms in 32 counties can offer certain card games (such as poker). Cardrooms pay state and local fees and taxes. For example, cardrooms pay the state around \$24 million each year (annually) generally for regulatory costs. Cardrooms also pay around \$100 million each year to the cities they are located in.

- ***Horse Racing Betting.*** Four privately operated racetracks as well as 29 fairs, publicly operated racetracks, and other facilities in 17 counties offer betting on horse racing. The horse racing industry pays state and local fees and taxes. Last year, the industry paid the state around \$18 million in fees primarily for state regulatory costs.
- ***Tribal Casinos.*** Tribes operate 66 casinos in 28 counties under specific agreements between certain tribes and the state (discussed below). These casinos offer slot machines, lottery games, and card games on tribal lands. Last year, tribes paid around \$65 million to support state regulation and gambling addiction programs. Tribes also pay tens of millions of dollars to local governments each year. Additionally, tribes operating larger casinos pay nearly \$150 million each year to tribes that either do not operate casinos or have less than 350 slot machines.

ANALYSIS BY THE LEGISLATIVE ANALYST

CONTINUED

Tribal-State Compacts. Native American tribes have certain rights under federal law to govern themselves, such as certain rights to offer gambling. This means that the state generally cannot regulate tribal gambling except as allowed by (1) federal law and (2) federally approved agreements between a tribe and state (known as tribal-state compacts). When a tribe wants to offer gambling on its lands, federal law requires that the state negotiate a compact with the tribe. If the tribe and the state cannot agree, the federal government may issue a compact instead. In California, compacts allow tribal casinos to offer slot machines and other games on tribal lands. These compacts lay out how gambling will be regulated. They also require certain payments, such as to the state and local governments. California currently has compacts with 79 tribes. Tribes can ask for these compacts to be changed, such as when new types of gambling become legal in the state.

Enforcement of State and Local Gambling Laws. California's state and local gambling laws are enforced in various ways. For example, regulatory agencies can take back licenses, issue fines, or seek penalties through civil lawsuits filed in state trial courts. The California Department of Justice (DOJ), county district attorneys, and city attorneys can file criminal cases in state trial courts against those breaking certain gambling laws.

Annual Required Education Spending. The California Constitution requires the state to spend a minimum amount on K–12 schools and community colleges each year. This minimum amount grows over time based on growth in state tax revenues, the economy, and student attendance. The state's current budget includes \$110 billion to meet this requirement. The state General Fund currently provides more than \$80 billion towards this amount. (The General Fund is the state's main operating account, which pays for education, prisons, health care, and other public services.) Local property taxes also are used to meet this minimum amount.

PROPOSAL

Proposition 26 allows in-person sports betting at racetracks and tribal casinos. It requires that racetracks and casinos that offer sports betting make certain payments to the state—such as to support state regulatory costs. The proposition also allows additional gambling—such as roulette—at tribal casinos. Finally, it adds a new way to enforce certain state gambling laws.

Allows In-Person Sports Betting at Racetracks and Tribal Casinos. Proposition 26 changes the California Constitution and state law to allow the state's privately operated racetracks and tribal casinos to offer sports betting. However, the proposition bans bets on certain sports—such as high school games and games in which California college teams participate. Figure 1 shows the locations that could choose to offer sports betting.

- ***Requirements on Racetracks.*** The proposition allows the state's four privately operated racetracks to offer sports betting to people 21 years of age and older. All bets must be made in person at the track. The proposition also requires the racetracks pay the state 10 percent of sports bets made each day—after subtracting any prize payments. These payments would go into a new California Sports Wagering Fund (CSWF).
- ***Requirements on Tribal Casinos.*** The proposition includes specific requirements for tribal casinos that choose to offer sports betting. For example, sports betting can be offered on tribal lands only after a tribe changes its compact with the state to allow it. Each tribe's compact would lay out the requirements it must follow. For example, the compact could specify the minimum age to place a bet, required payments to the state and local governments, and whether tribal payments would go into the new CSWF. If payments do not go into the new CSWF, the proposition requires tribes at least pay the state for the cost of regulating sports betting at tribal casinos.

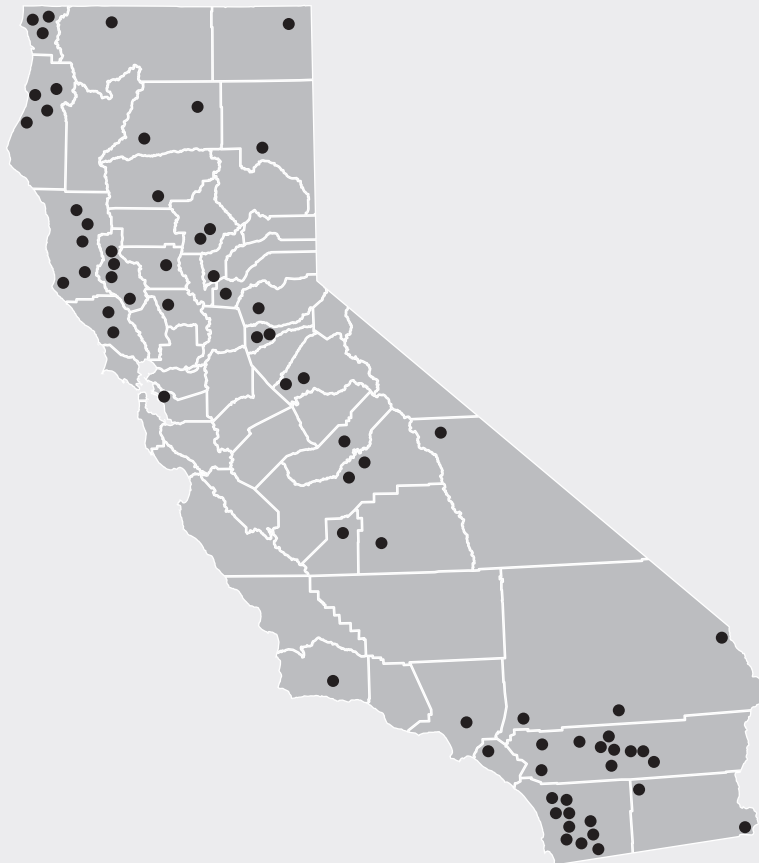
ANALYSIS BY THE LEGISLATIVE ANALYST

CONTINUED

26

Figure 1

Locations of Racetracks and Tribal Casinos Able to Offer Sports Betting



Requires Specific Use of CSWF Revenues.

Proposition 26 requires CSWF revenues be considered state tax revenues to calculate the minimum amount of spending on K–12 schools and community colleges each year. This means CSWF monies would first be used to help meet this required spending level on education. The proposition requires that monies next be used to support state regulatory costs. Remaining monies would be used in three ways: (1) 15 percent for gambling addiction and mental health programs and grants, (2) 15 percent for sports betting and

gambling enforcement costs, and (3) 70 percent to the state General Fund.

Allows Additional Gambling at Tribal Casinos.

Proposition 26 changes the California Constitution to allow roulette and games played with dice at tribal casinos. Before offering these games, tribal compacts with the state would need to be changed to allow them to do so.

Adds New Enforcement Method.

Proposition 26 adds a new way to enforce certain state gambling laws, such as laws banning certain types of card games. Specifically, it allows people or entities that believe someone is breaking these laws to file a civil lawsuit in state trial courts. This lawsuit can ask for penalties of up to \$10,000 per violation. It can also ask for the court to stop the behavior. These civil lawsuits would be allowed only if the person or entity filing it first asks DOJ to act and either (1) DOJ does not file a court case within 90 days or (2) a court rejects the case filed by DOJ and does not prohibit it from being filed again.

Penalties collected would go into the CSWF for the purposes laid out above.

FISCAL EFFECTS

Proposition 26 would impact both state and local government revenues and costs. The actual size of these effects, however, is uncertain and would depend on how the proposition is interpreted and implemented. For example, it is unclear if tribal-state compacts changed to allow for sports betting would require additional payments to

ANALYSIS BY THE LEGISLATIVE ANALYST

CONTINUED

local governments. The fiscal effects would also depend on the number of people who choose to make sports bets and how often the new civil enforcement method is used.

Increased State Revenues. Proposition 26 would increase state revenues from racetrack and tribal sports betting payments as well as civil penalties. The size of this increase is uncertain, but could reach tens of millions of dollars annually. Some of this revenue would be new. For example, the state currently does not receive any share of illegal sports bets. This means the state would receive new revenue when people make sports bets legally rather than illegally. However, some of this revenue would not be new. For example, the state currently receives revenue when people spend money on certain things, such as lottery games or shopping. This means the state might not receive new revenue when people spend less on those things so they could make sports bets.

Some of the increased revenue would go into the CSWF. This would result in a higher minimum amount of spending on K–12 schools and community colleges than would otherwise be required. About 40 percent of CSWF money would likely be used to meet this higher minimum spending amount. The remaining 60 percent would be used for sports betting and gambling-related costs as well as other state spending priorities.

Effects on Local Government Revenues.

Proposition 26 could impact local government revenues. For example, cardrooms may earn less revenue if they are negatively impacted by the new civil enforcement method. This could reduce the taxes and fees they pay to the cities where they are located. The effects on most local governments would likely not be large. However, there could be larger effects on a few local governments that receive a large share of their revenue from cardrooms. For example, one city estimates cardroom payments are about 70 percent of its General Fund revenues. At the same time, tribal-state compacts changed to allow for sports betting could require additional tribal payments to local governments.

Increased State Regulatory Costs. Proposition 26 would create more work for state agencies (such as DOJ) to regulate sports betting. The amount of work would depend mostly on how sports betting is regulated, such as what types of bets are not allowed. Total costs for this additional work could reach the low tens of millions of dollars annually. Some or all of these costs would be offset by CSWF revenues and tribal payments to the state that do not go into the CSWF.

Increased State Enforcement Costs. The new civil enforcement method would create more work for DOJ and the state courts. DOJ would need to review and respond to claims that gambling laws are being broken. State courts would also need to process any civil lawsuits filed. Total state enforcement costs would depend largely on how often the new civil enforcement method is used. However, these **increased costs would not likely exceed the low millions of dollars annually.** This amount is less than one-half of 1 percent of the state's total General Fund budget. Some of these costs could be offset by CSWF revenues.

Other Fiscal Effects. Proposition 26 could result in other fiscal effects on the state and local governments. For example, state and local revenue could increase from people coming from out of state to place sports bets and spending more than they otherwise would. Additionally, state and local governments could have increased costs. For example, more people visiting racetracks or casinos could increase state and local law enforcement costs. The net effect of the above effects on the state and local governments is unknown.

Visit <https://www.sos.ca.gov/campaign-lobbying/cal-access-resources/measure-contributions/2022-ballot-measure-contribution-totals> for a list of committees primarily formed to support or oppose this measure.

Visit <https://www.fppc.ca.gov/transparency/top-contributors.html> to access the committee's top 10 contributors.

★ ARGUMENT IN FAVOR OF PROPOSITION 26 ★

CALIFORNIA INDIAN TRIBES, CIVIL RIGHTS, BUSINESS,
PUBLIC SAFETY LEADERS URGE: YES ON PROP. 26

For over two decades, California voters have stood with Indian tribes, granting them the right to operate highly regulated gaming on tribal lands. Indian gaming has helped lift tribes out of poverty—creating jobs and providing revenues for critical tribal services including education, healthcare, housing, public safety, cultural preservation and more.

Prop. 26 will continue this legacy by authorizing *in-person* sports wagering at highly regulated Indian casinos for adults 21 and over and allowing Indian casinos to offer additional games like roulette and dice.

PROP. 26 PROMOTES INDIAN SELF-RELIANCE

A broad coalition of California Indian tribes supports Prop. 26 because it will promote self-reliance for all tribes, including smaller and non-gaming tribes. Prop. 26 will increase funds for revenue sharing agreements that provide tens of millions every year to California's smaller, poorer Indian tribes.

"I've seen first-hand the transformative impacts Indian gaming revenue sharing has had on our people, helping our small tribe pay for schools, health clinics and fire services. Prop. 26 will continue to lift tribes like ours out of poverty and allow us to become more self-reliant."—Thomas Torte, Tribal Chairman, Torres Martinez Desert Cahuilla Indians

PROP. 26 IS THE MOST RESPONSIBLE APPROACH TO
AUTHORIZING SPORTS WAGERING

Prop. 26 will legalize sports wagering in a controlled manner at highly regulated tribal casinos and licensed horse racing facilities. Requiring sports wagering *in-person* provides the strongest age verification safeguards to prevent underage gambling and protections against problem gambling. On the other hand, Prop. 27 would legalize *online and mobile* sports gambling in California, turning virtually every cellphone, tablet and laptop into a gambling device—increasing the risk of underage and problem gambling. We respectfully ask you to VOTE YES on Prop. 26 and NO on Prop. 27.

PROP. 26. BENEFITS ALL OF CALIFORNIA

California's tribal casinos annually generate \$26.9 billion for the state economy, support over 150,000 jobs, \$12.4 billion in wages and contribute nearly \$1.7 billion in revenues to state and local governments. Prop. 26 will create more jobs and economic opportunity for Indian tribes and all Californians.

PROP. 26 SUPPORTS PUBLIC SCHOOLS AND STATE
PRIORITIES

According to the nonpartisan *Legislative Analyst*, Prop. 26 will generate tens of millions of dollars annually for vital services such as public schools, homelessness and mental health programs, wildfire prevention, senior services and other state priorities.

PROP. 26 CONTAINS PROVISIONS TO ENFORCE CALIFORNIA'S
GAMBLING LAWS AND PREVENT CRIMINAL ACTIVITY

California law prohibits house banked card games like those found in Nevada casinos. Despite this, some cardroom casinos and their financial bankers have been running these prohibited card games—operating illegal gambling and blatantly violating state law. Illegal gambling leads to money laundering, fraud and criminal activity. Prop. 26 will strengthen enforcement of California's gaming laws to crack down on illegal gambling and prevent this criminal activity.

YES ON 26: SUPPORTED BY INDIAN TRIBES, CIVIL RIGHTS
LEADERS, BUSINESS AND PUBLIC SAFETY ADVOCATES

• American Indian Chamber of Commerce • NAACP California
• California District Attorneys Association • Yolo County Fire
Chiefs Association • San Diego Police Officers Association
• La Raza Roundtable of California • California Nations Indian
Gaming Association • Gold Coast Veterans Foundation • Baptist
Ministers Conference of LA and Southern California

www.YesProp26.com

Beth Glasco, Tribal Vice-Chairwoman
Barona Band of Mission Indians

Tracy Stanhoff, President
American Indian Chamber of Commerce

Greg Sarris, Tribal Chairman
Federated Indians of Graton Rancheria

★ REBUTTAL TO ARGUMENT IN FAVOR OF PROPOSITION 26 ★

PROP. 26: LEGALIZES SPORTS BETTING

Prop. 26 is a massive expansion of gambling in California sponsored by five wealthy tribal casinos whose goal is to expand their monopoly over all gambling and legalize sports betting on college and professional games.

Prop. 26 will lead to more underage gambling and addiction.

PROP. 26: EXPANDS UNREGULATED GAMBLING

The sponsors of Prop. 26 claim it will lead to better regulation of gambling, but they are not subject to most state laws in the first place.

Some of these same gaming tribes even refuse to abide by California laws, including:

• Our environmental quality laws • Our anti-discrimination and sexual harassment laws • Our minimum wage laws

Some prohibit their employees from joining a union and some even allow eighteen-year-olds to gamble!

PROP. 26: DESTROYS COMPETITION

The sponsors of Prop. 26 made big profits staying open during COVID while their card club competition had to close. Now they want to put licensed and regulated card clubs out of business by

giving private trial lawyers the enforcement powers held by the Attorney General to bury card clubs with frivolous lawsuits.

PROP. 26 HURTS OTHER COMMUNITIES OF COLOR

If Prop. 26's sponsors are able to put their card club competition out of business, the state will lose 32,000 jobs and \$500 million in annual local revenue that funds police, fire, health care and afterschool programs—disproportionately in communities of color. Even worse, California's communities will lose \$1.6 billion in wages.

PROP. 26 IS SO BAD MOST CALIFORNIA INDIAN TRIBES
DON'T EVEN SUPPORT IT.

Learn more at VoteNoOnProp26.org.

Floyd Meshad, President
National Veterans Foundation

George Mozingo, President
California Senior Advocates League

Shavon Moore-Cage, Member
American Federation of State, County, and Municipal Employees
Local 36 Management Chapter

★ ARGUMENT AGAINST PROPOSITION 26 ★

PROP. 26 IS A MASSIVE EXPANSION OF GAMBLING IN CALIFORNIA that will legalize betting on professional, college and amateur sports. Five wealthy tribal casinos are sponsoring Prop. 26 to expand their monopoly over gambling in California—so they can make billions more in profits and continue to pay virtually NOTHING in state taxes.

PROP. 26: MORE UNDERAGE GAMBLING AND ADDICTION
Despite state laws that make it illegal for anyone under 21 to gamble, one of the sponsors of Prop. 26 regularly allows 18-year-olds to gamble, and NOTHING in their measure stops underage gamblers from betting on college and professional sports in a tribal casino.

PROP. 26: LEAVES WORKERS UNPROTECTED

Prop. 26's sponsors have refused to allow their workers to join unions or engage in collective bargaining and claimed they are not required to pay the state's minimum wage—even encouraging employees to go on Medi-Cal rather than pay for their health insurance.

Even worse, they have a history of refusing to follow California's anti-discrimination and sexual harassment laws. One tribal casino behind Prop. 26 promised it would waive sovereign immunity for sexual harassment lawsuits in exchange for adding more slot machines. But when one of its employees sued for sexual assault in federal court, the casino claimed immunity and asked a judge to toss the sexual harassment claims.

"Prop. 26 leaves workers unprotected from California's worker safety, wage-and-hour, harassment, and anti-discrimination laws and regulations. Please join us in voting NO on Prop. 26."—*Shavon Moore-Cage, Member, American Federation of State, County and Municipal Employees Local 36 Management Chapter*

PROP. 26: PUTS CARD CLUBS OUT OF BUSINESS AND HURTS COMMUNITIES OF COLOR

Prop. 26 is sponsored by five wealthy southern California tribal casinos that made big profits staying open during Covid while

the state forced their card club competition to close. Now those same casinos want to expand their monopoly and put card clubs completely out of business by changing the State Constitution to give private trial lawyers the enforcement powers of the Attorney General to bury card clubs with frivolous lawsuits.

If the sponsors of Prop. 26 are allowed to put card clubs out of business, some of the state's hardest hit communities of color will lose \$500 million in local tax revenue that pays for essential services like police, fire, health care and after-school services. Those communities will lose 32,000 jobs, \$1.6 billion in wages and \$5.6 billion in economic output.

"We support the rights of Native Americans to be self-sufficient, but we oppose Prop. 26 because it will devastate other communities of color in California."—*Julian Canete, President and CEO, California Hispanic Chambers of Commerce*

PROP. 26: EXPANDS GAMBLING AT HORSE RACETRACKS

Prop. 26 is cleverly designed to save the horse racing industry by expanding sports betting to horse racetracks around California—giving them millions in new revenue just to save a dying industry that drugs, abuses and kills horses year after year.

Please join us and VOTE NO on PROP. 26.

Madeline Bernstein, President

Society for the Prevention of Cruelty to Animals Los Angeles (spcaLA)

Jay King, President

California Black Chamber of Commerce

Floyd Meshad, President

National Veterans Foundation

26

★ REBUTTAL TO ARGUMENT AGAINST PROPOSITION 26 ★

PROP. 26 AUTHORIZES IN-PERSON SPORTS WAGERING ON TRIBAL LANDS

For over two decades, California voters have entrusted California's Native American tribes to operate safe, highly regulated gaming on their own tribal lands. Prop. 26 allows Indian tribes to offer in-person sports wagering, roulette and dice games at tribal casinos. Section 3 of Prop. 26 specifically expresses its intent to limit sports wagering to *"those 21 or older to safeguard against underage gambling."*

"California's Indian Casinos are strongly regulated and have operated safe, responsible gaming for over two decades."—*Richard Schuetz, Former Commissioner, California Gambling Control Commission*

PROP. 26 PROMOTES INDIAN SELF-RELIANCE

Prop. 26 will generate additional funding to support education, housing, healthcare and other services in tribal communities. Prop. 26 will also provide tens of millions annually in revenue sharing for smaller, non-gaming tribes.

CARDROOM CASINO OPERATORS ARE RUNNING A DECEPTIVE CAMPAIGN AGAINST INDIAN TRIBES AND PROP. 26

Cardroom casino operators and their gambling bankers funding attacks on Prop. 26 have been fined millions for violating

anti-money laundering laws, misleading regulators, and illegal gambling. But there is very little state oversight of cardroom casinos. These bad actors are running a deceptive campaign against Prop. 26 to avoid accountability.

PROP. 26 HELPS STOP AND PREVENT ILLEGAL GAMBLING

Illegal gambling is often associated with drug trafficking, money-laundering, loan sharking, and violent crime. Prop. 26 establishes a streamlined process with the Department of Justice to help stop and prevent illegal gambling. Prop. 26 will NOT shut down a single legitimate business.

SUPPORT INDIAN SELF-RELIANCE AND SAFE, RESPONSIBLE GAMING: YES ON 26.

YESon26.com

Maxine Littlejohn, Tribal Councilmember

Santa Ynez Band of Chumash Indians

Anthony Roberts, Tribal Chairman

Yocha Dehe Wintun Nation

Olin Jones, Former Director

Office of Native American Affairs at California Department of Justice

PROPOSITION
27 **ALLOWS ONLINE AND MOBILE SPORTS WAGERING OUTSIDE TRIBAL LANDS.**
INITIATIVE CONSTITUTIONAL AMENDMENT AND STATUTE.

OFFICIAL TITLE AND SUMMARY

PREPARED BY THE ATTORNEY GENERAL

The text of this measure can be found on page 82 and the Secretary of State's website at voterguide.sos.ca.gov.

- Legalizes online and mobile sports wagering for persons 21 years and older.
- Such wagering may be offered only by federally recognized Indian tribes and eligible businesses that contract with them.
- Individuals placing bets must be in California and not located on tribal lands.
- Requires licensing fees and imposes 10% tax on sports-wagering revenues.
- Directs tax and licensing revenues first to regulatory costs, then remainder to homelessness programs (85%) and nonparticipating tribes (15%).
- Specifies licensing, regulatory, consumer-protection, and betting-integrity standards for sports wagering.

SUMMARY OF LEGISLATIVE ANALYST'S ESTIMATE OF NET STATE AND LOCAL GOVERNMENT FISCAL IMPACT:

- Increased state revenues, possibly in the hundreds of millions of dollars but likely not more than \$500 million annually, from sports betting payments and penalties. Some of these revenues would be a shift from existing state revenues.
- Increased state costs to regulate online sports betting, possibly reaching the mid-tens of millions of dollars annually. Some or all of these costs would be offset by the increased revenues.

ANALYSIS BY THE LEGISLATIVE ANALYST

BACKGROUND

Sports Betting. State law currently bans sports betting in California. However, state law allows some gambling, such as tribal gambling, the state lottery, cardrooms, and horse racing betting.

Tribal Gambling. Native American tribes have certain rights under federal law to govern themselves, such as certain rights to offer gambling. This means that the state generally cannot regulate tribal gambling except as allowed by (1) federal law and (2) federally approved agreements between a tribe and state (known as tribal-state compacts). When a tribe wants to offer gambling on its lands, federal law requires that the state negotiate a compact with the tribe. If the tribe and the state cannot agree,

the federal government may issue a compact instead. In California, compacts allow tribal casinos to offer slot machines and other games on tribal lands. These compacts lay out how gambling will be regulated. They also require certain payments, such as to the state and local governments. Tribes can ask for these compacts to be changed, such as when new types of gambling become legal in the state.

California currently has compacts with 79 tribes. Tribes currently operate 66 casinos in 28 counties. Last year, tribes paid around \$65 million to support state regulatory and gambling addiction program costs. Tribes also pay tens of millions of dollars to local governments each year (annually). Additionally, tribes operating larger casinos pay nearly \$150 million each

ANALYSIS BY THE LEGISLATIVE ANALYST

CONTINUED

year to tribes that either do not operate casinos or have less than 350 slot machines.

State Homeless Housing, Assistance, and Prevention Program (HHAPP). HHAPP provides funding to local entities (such as cities) and tribes to help them achieve their goals related to addressing homelessness. Currently, 80 percent of HHAPP funds go to local entities generally based on their share of the state's homeless population, 2 percent to tribes, and 18 percent to the state to provide bonuses to local entities and tribes who meet their goals. The program received \$1 billion in state funds this year.

PROPOSAL

Proposition 27 allows tribes or gambling companies to offer online sports betting. It requires tribes and gambling companies that offer online sports betting to make certain payments to the state for specific purposes—such as to support state regulatory costs and to address homelessness. The proposition also creates a new online sports betting regulatory unit. Finally, it provides new ways to reduce illegal online sports betting.

Allows Tribes or Gambling Companies to Offer Online Sports Betting. Proposition 27 changes the California Constitution and state law to allow online sports betting over the Internet and mobile devices. People 21 years of age and older in California, who are not on tribal lands, would be able to place bets no later than September 2023. The proposition allows bets on athletic events (such as football games) and some non-athletic events (such as awards shows and video game competitions). However, it bans bets on certain other events such as high school games and elections.

The proposition allows the following groups to apply for a five-year license to offer online sports betting:

- **Tribes With Tribal-State Compacts.** Licensed tribes, or their contractors, could offer sports betting under the tribe's name. The proposition requires tribes to give up some of their rights under federal law to get a license. For example, tribes must agree to a certain amount of state regulation.
- **Certain Gambling Companies.** Licensed gambling companies could offer sports betting under their own name or brand. These companies must partner with a tribe with a tribal-state compact. The proposition limits licenses to larger companies, such as those that have online sports betting licenses in at least ten U.S. states or territories.

Requires Payments to State. Proposition 27 requires various sports betting payments to the state. For example, tribes and gambling companies with sports betting licenses must pay 10 percent of sports bets made each month to the state, after subtracting various expenses. These expenses include: (1) any bets made with credits from promotional offers, (2) prize payments, and (3) federal gambling taxes. Losses, which result when expenses are more than bets, may be used to offset these payments. A portion of these monthly payments must be made in advance when the sports betting license is approved or renewed. This reduces the actual monthly amount owed. Specifically, a tribe must pay \$10 million when its five-year license is approved. It must also pay \$1 million each time its license is renewed. A gambling company must pay \$100 million when its five-year license is approved. It must also pay \$10 million each time its license is renewed.

Creates New Fund. The above payments to the state would go into a new California

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ANALYSIS BY THE LEGISLATIVE ANALYST

CONTINUED

more than \$500 million annually. Some of this revenue would be new. For example, the state currently does not receive any share of illegal sports bets made online. This means the state would receive new revenue when people make sports bets legally rather than illegally. However, some of this revenue would not be new. For example, the state currently receives revenue when people spend money on certain things, such as lottery games or shopping. This means the state might not receive new revenue when people spend less on those things so they could make sports bets.

State revenues from sports betting payments and penalties would go into the COSBTF. The monies would first be used for state regulatory costs. The rest would support (1) homelessness programs, (2) gambling addiction programs, and (3) tribal economic development and other purposes.

Increased State Regulatory Costs.

Proposition 27 would create work for the state to regulate online sports betting. The amount of work would depend mostly on how sports betting is regulated. Key examples of this include: the number of sports betting licenses approved, the type and number of betting options and events offered, and how much state enforcement is done. Total costs for this work could reach the mid-tens of millions of dollars annually. Some or all of these costs would be offset by COSBTF revenues.

Other Fiscal Effects. Proposition 27 could result in other fiscal effects on the state and local governments. For example, state and local revenue could increase from people coming from out of state to place sports bets and spending more than they otherwise would. However, some or all of this increased local revenue could be offset. For example, tribes might ask for their tribal-state compacts to require less payment to local governments to reflect potential impacts sports betting has on their casinos. Additionally, state and local governments could have increased costs. For example, online sports betting could make it more difficult for people with gambling addictions to avoid placing bets. This could increase the number of people who might need government assistance. The net effect of the above effects on the state and local governments is unknown.

Visit <https://www.sos.ca.gov/campaign-lobbying/cal-access-resources/measure-contributions/2022-ballot-measure-contribution-totals> for a list of committees primarily formed to support or oppose this measure.

Visit <https://www.fppc.ca.gov/transparency/top-contributors.html> to access the committee's top 10 contributors.

★ ARGUMENT IN FAVOR OF PROPOSITION 27 ★

Vote YES on Proposition 27

Permanent Solutions for Homelessness, Mental Health, Addiction & Tribal Funding

Non-profit leaders, mayors, and California Tribes support Proposition 27 because it will provide hundreds of millions of dollars in permanent solutions to homelessness, mental health, and addiction in California. All funding will be subject to strict audits and oversight to ensure it is spent effectively.

Proposition 27 will also benefit every California Tribe—especially rural and economically disadvantaged Tribes who don't own big casinos.

By taxing and regulating safe and responsible online sports betting for adults 21 and over, California can help solve homelessness and provide thousands of Californians mental health care and addiction treatment.

Proposition 27 provides the most solutions for California:

- Prop. 27 protects minors and strictly prevents those under 21 from betting.
- Prop. 27 requires mandatory audits to ensure homelessness and mental health funding is spent effectively.
- Prop. 27 is the only sports betting measure that will fund permanent homelessness and mental health solutions.
- Prop. 27 is the only measure that guarantees funding for disadvantaged Tribes.

Proposition 27 will fund hundreds of millions of dollars each year in shelter, housing, addiction treatment and mental health support for Californians who need it most.

Ricardo Flores, non-profit leader and housing advocate, on why his organization supports Prop. 27:

"California's homelessness crisis is a statewide emergency. Our state has never fully invested in permanent solutions to end homelessness. Prop. 27 allows organizations like mine to have an ongoing revenue source to fund desperately needed services: shelter, housing, and support. All with strict audits to ensure every

dime is spent effectively. No other sports betting proposition will generate significant revenue for homelessness and mental health services."

Tamera Kohler, CEO of San Diego's Regional Task Force on Homelessness, on Prop. 27:

"One in six Californians experiences mental illness. It's a crisis affecting nearly every family. Prop. 27 will help generate hundreds of millions of dollars every year to fund mental health treatment, and solutions to homelessness and addiction. By passing Prop. 27, we can give more people the care they need and the hope they deserve."

Chairman Jose "Moke" Simon of Middletown Rancheria of Pomo Indians of California, on Prop. 27:

"My tribe has had so much taken away from us—our land, our ceremonies, our culture—and our sovereignty is constantly under attack. Unlike Tribes with large casinos, my Tribe struggles to provide basic needs for our people. Prop. 27 is the only proposition that helps disadvantaged Tribes like mine, and Prop. 27 is the only one that ensures every California Tribe benefits.

"Don't believe the false attacks on Prop. 27. By taxing and regulating online sports betting for adults over 21, we can finally address homelessness in California while protecting tribal sovereignty."

Vote YES on Prop. 27—tax and regulate safe and responsible online sports betting, support California Tribes and finally do something to solve homelessness, mental health, and addiction in California.

YESToProp27.com

Tamera Kohler, CEO

San Diego Regional Task Force on Homelessness

Jose "Moke" Simon, Chairman

Middletown Rancheria of Pomo Indians of California

Ricardo Flores, Executive Director

Local Initiatives Support Corporation (LISC) San Diego

★ REBUTTAL TO ARGUMENT IN FAVOR OF PROPOSITION 27 ★

PROP. 27 WAS WRITTEN AND PAID FOR BY OUT-OF-STATE ONLINE GAMBLING CORPORATIONS

Prop. 27 is a deceptive scheme promoted by out-of-state corporations to legalize a massive expansion of online and mobile sports gambling in California. These corporations have contributed more than \$100,000,000 to sell Prop. 27. They aren't spending that money to help California. They are doing it to enrich themselves.

CALIFORNIA INDIAN TRIBES OVERWHELMINGLY OPPOSE PROP. 27

More than 50 California Tribes *strongly oppose* Prop. 27. It is a direct attack on tribal gaming and Indian self-reliance that would jeopardize funding tribal governments use for education, healthcare, fire protection and other vital services.

PROP. 27 IS NOT A "SOLUTION" TO HOMELESSNESS

Decades ago, gaming companies passed the California Lottery with misleading promises of massive new revenues for schools. Now, out-of-state gambling corporations are using similar bait-and-switch tactics to promote Prop. 27.

Prop. 27 includes hidden loopholes that would give massive profits to its corporate sponsors, while leaving only a few pennies per

dollar for California. Under Prop. 27, 90% of the profits will go to out-of-state corporations and little if anything would go to public schools.

PROP. 27 PROMOTERS HAVE A HISTORY OF BROKEN PROMISES AND BAD ACTS

The corporate sponsors funding Prop. 27 have been fined millions of dollars for allowing underage gambling and marketing to children. In other states that have passed laws like Prop. 27, the big-money promises have failed to materialize. *We can't trust the false promises of these out-of-state corporations.*

REJECT THE OUT-OF-STATE CORPORATIONS' DECEPTIVE CAMPAIGN. VOTE NO ON 27.

James Siva, Chairman

California Nations Indian Gaming Association

Robert McElroy, Executive Director

Alpha Project for the Homeless

Claudia Brundin, Tribal Chairwoman

Blue Lake Rancheria of California

★ ARGUMENT AGAINST PROPOSITION 27 ★

JOIN CALIFORNIA INDIAN TRIBES, PARENTS, TEACHERS, HOMELESS ADVOCATES, PUBLIC SAFETY LEADERS: VOTE NO ON 27—THE CORPORATE ONLINE GAMBLING PROPOSITION

Prop. 27 is a deceptive scheme written and promoted by out-of-state corporations to legalize online and mobile sports gambling in California. It won't solve homelessness, but it will turn virtually every cellphone, tablet and laptop into a gambling device.

Proponents are deceptively marketing Prop. 27 as a "solution" to homelessness. But just like when we were told the state lottery would be a solution for public education, we can't believe these false promises. Here's why our broad coalition urges NO on Prop. 27.

UNDER PROP. 27, OUT-OF-STATE CORPORATIONS WIN—BUT CALIFORNIANS LOSE

The out-of-state online gambling corporations wrote Prop. 27 to benefit themselves. Prop. 27 would give these corporations near total control over online sports wagering. Ninety percent (90%) of the profits would end up in the pockets of out-of-state corporations without creating real jobs or investments in our state. Not a single dime would fund state priorities like public schools, firefighting or even problem gambling prevention programs.

PROP. 27 IS NOT A "SOLUTION" TO HOMELESSNESS

California has spent over \$30 Billion to address homelessness in the last 5 years, but things have only gotten worse. A recent report by the independent State Auditor said California's spending on homelessness is "disjointed" and "has not fulfilled its most critical responsibilities." Rather than legalize this massive expansion of online gambling, we should more effectively manage the billions the state is already spending as well as any new funding needed in the future.

PROP. 27 IS FULL OF LOOPHOLES THAT SHORTCHANGE CALIFORNIA

Prop. 27 caps revenues going to homelessness programs at just pennies on the dollar of what the online gambling corporations will make. Buried in Prop. 27 is a "promotional bets" loophole. States

that allow this same loophole have seen revenues fall far below what was promised. The big gaming corporations also say they will pay a licensing fee. In reality, the corporations can reduce their tax one dollar for every dollar they pay in licensing fees. More money for them; less money for the homeless.

PROP. 27 EXPOSES KIDS TO ONLINE AND PROBLEM GAMBLING.

Prop. 27 would legalize the largest expansion of gambling in California history—but it has NO IN-PERSON AGE VERIFICATION REQUIREMENT to prevent minors from gambling. Studies show that online and mobile gambling are especially attractive to youth and those prone to compulsive gambling.

CALIFORNIA INDIAN TRIBES STRONGLY OPPOSE PROP. 27

"Prop. 27 is a direct attack on tribal gaming rights and self-reliance. In fact, it even prohibits online sports wagering on tribal lands. Prop. 27 jeopardizes vital funding tribes use to provide housing, healthcare, firefighting services, education and other services for our communities."—Lynn Valbuena, Chairperson, Tribal Alliance of Sovereign Indian Nations

PLEASE JOIN INDIAN TRIBES, PARENTS, TEACHERS, PUBLIC SAFETY, SOCIAL JUSTICE AND HOMELESSNESS ADVOCATES: NO ON 27!

• Tribal Alliance of Sovereign Indian Nations • More than 50 California Indian tribes • NAACP California • California League of United Latin American Citizens • California District Attorneys Association • CalAsian Chamber of Commerce • Goodwill Southern California • Veterans of Foreign Wars Department of CA

NO ON PROP. 27

Lynn Valbuena, Chairperson
Tribal Alliance of Sovereign Indian Nations

Sara Dutschke Setshwaelo, Chairperson
Ione Band of Miwok Indians

Steven Pinckney, Business Administrator
Salvation Army of San Bernardino

★ REBUTTAL TO ARGUMENT AGAINST PROPOSITION 27 ★

Vote YES for PERMANENT SOLUTIONS for Homelessness, Mental Health, and Addiction.

Opponents of Prop. 27 are wrong. Here are the facts:

STATE WATCHDOG: ONLY PROP. 27 PROVIDES PERMANENT SOLUTIONS FOR HOMELESSNESS

For the first time in state history, local communities will receive yearly funding to create permanent solutions for homelessness. The state's independent budget watchdog found only Prop. 27 will generate hundreds of millions of dollars each year to address homelessness, mental health, and addiction. Prop. 27's funding must be spent on creating housing and providing services like mental health and addiction treatment.

PROP. 27 CONTAINS STRICT REQUIREMENTS TO PROTECT MINORS

Prop. 27 is the only proposition requiring background checks and state of the art technology to protect minors and ensure they can't place bets. 23 states have safely legalized online sports betting, proving you can do so responsibly while generating significant state funding.

PROP. 27 IS THE ONLY INITIATIVE THAT HELPS DISADVANTAGED TRIBES

Tribes support Prop. 27 because every Tribe will benefit. Prop. 27 is the only proposition that dedicates funding to economically disadvantaged Tribes—more than doubling the amount of funding these smaller Tribes receive each year.

PROP. 27 REQUIRES YEARLY AUDITS & STRICT SAFETY OVERSIGHT

Proposition 27 requires yearly audits and strict oversight to ensure funding is spent effectively. Under Prop. 27, the Attorney General will tightly regulate sports betting to ensure safe and responsible gaming.

Join California Tribes, leaders in homelessness and mental health care, social workers, faith leaders, and civil rights groups—VOTE YES on Prop. 27.

YesToProp27.com

Gloria Baxter, Mental health non-profit leader

Phillip Gomez, Chairman
Big Valley Band of Pomo Indians of the Big Valley Rancheria, California

Leo Sisco, Chairman
Santa Rosa Ranchera Tachi Yokut Tribe

PROPOSITION
28 PROVIDES ADDITIONAL FUNDING FOR ARTS AND MUSIC
EDUCATION IN PUBLIC SCHOOLS. INITIATIVE STATUTE.

OFFICIAL TITLE AND SUMMARY

PREPARED BY THE ATTORNEY GENERAL

The text of this measure can be found on page 105 and the Secretary of State's website at voterguide.sos.ca.gov.

- Provides additional funding for arts and music education in all K–12 public schools (including charter schools) by annually allocating from state General Fund an amount equal to 1% of required state and local funding for public schools.
- Allocates greater proportion of the additional funds to schools serving more economically disadvantaged students.
- Schools with 500 or more students must spend at least 80% of the funding to employ teachers and remainder on training, supplies, and education partnerships.

- Requires audits and limits administrative costs to 1% of the funding.

SUMMARY OF LEGISLATIVE ANALYST'S ESTIMATE OF NET STATE AND LOCAL GOVERNMENT FISCAL IMPACT:

- Increased state costs of about \$1 billion annually, beginning next year, for arts education in public schools.

ANALYSIS BY THE LEGISLATIVE ANALYST

BACKGROUND

State's Public School System. California's public schools currently have about 6 million students from kindergarten through grade 12. Roughly 60 percent of public school students are from low-income families. These are students eligible to receive free or reduced-price school meals under a federal nutrition program. The state also provides public preschool to some three- and four-year olds from low-income families. However, the amount of state funding is currently not enough to serve all eligible children. Public schools are operated primarily by school districts and charter schools, under the control of local governing boards.

Annual Required Education Spending. The California Constitution requires the state to set aside a minimum amount of state General Fund and local property tax revenue each year (annually) for public schools and community colleges. (The General Fund is the state's main operating account, which pays for education, prisons, health care, and other public services.) In most years, the state must provide about 40 percent of General Fund revenue to meet this requirement. The state's current budget includes \$110 billion to meet this requirement. Of this amount, \$95.5 billion is specifically for public schools. Most school funding is distributed to schools through a per-student formula. The formula also gives schools more funding based on the share of their students who are low income, English learners, or in foster care. With a two-thirds vote of each house of the Legislature, the state could provide less funding for schools and community colleges than required for that year.

Arts Education in Elementary and Middle Schools. State law requires schools to provide instruction in visual and performing arts (including music) to all students in grades 1 through 6. State law also requires schools to offer such courses in grades 7 and 8 as electives. The specific courses and amount of instruction are determined by each local governing board. Schools may also offer arts education through before/after school and summer programs. The state funds two after school programs currently totaling almost \$5 billion each year. These programs require an academic component (such as tutoring) and an enrichment component (such as arts programs or physical fitness).

Arts Education in High Schools. Students must complete specific courses before they can graduate from high school. The state requires students to complete certain core academic subjects, such as English, history/social science, mathematics, and science. The state also requires students complete one year of either (1) visual or performing arts, (2) a foreign language, or (3) career technical education (CTE). Local governing boards can add other requirements for high school graduation. A 2017 survey found that about half of the state's school districts set their minimum graduation requirements to match the course requirements for admission to the state's public universities. Under these requirements, students must take one year of visual and performing arts, which cannot be fulfilled with foreign language or CTE coursework. In the most recent school year for which data are available, high schools in California offered about 150,000 arts education courses. High schools may also provide after school arts programs.

ANALYSIS BY THE LEGISLATIVE ANALYST

CONTINUED

PROPOSAL

Provides Additional Funding for Arts Education in Public Schools. Beginning next year, Proposition 28 requires the state to provide additional funding to increase arts instruction and/or arts programs in public schools. The amount required each year would equal 1 percent of the constitutionally required state and local funding that public schools received the year before. This funding would be considered a payment above the constitutionally required amount of funding for public schools and community colleges. The proposition allows the Legislature to reduce funding provided by this proposition for arts education in a year when the Legislature provides less than the constitutional spending requirement. In this case, the reduction in funding for arts education could not be more than the percentage reduction in total funding to public schools and community colleges.

Distributes Funding Based on a Formula. Proposition 28 distributes the additional funding to public schools based on enrollment in preschool and K–12. Of the total amount, 70 percent would go to schools based on their share of statewide enrollment. The remaining 30 percent would go to schools based on their share of low-income students enrolled statewide. Local governing boards may use up to 1 percent of this new funding for administrative expenses. The remainder of the funding must be distributed to all school sites based on their student enrollment.

Requires Funding Be Used Primarily to Hire New Arts Staff. Proposition 28 requires funding be used for arts education programs and requires schools to certify that these funds were spent in addition to existing funding for arts education programs. This may include a variety of subjects, including dance, media arts, music, theater, and various types of visual arts (including photography, craft arts, computer coding, and graphic design). The proposition also requires at least 80 percent of the additional funding be used to hire staff. (School districts and charter schools with fewer than 500 students would not have to meet this requirement.) The remaining funding could be used for training, supplies and materials, and for arts educational partnership programs. The California Department of Education (CDE) may approve requests from schools to spend less on staff. Schools will have three years to spend the funds they receive each year. CDE would reallocate any unspent funds to all schools in the following year.

Allows School Principals to Determine How Funds Are Spent. Proposition 28 requires the principal of a school site (or the program director of a preschool) to develop a plan for spending the funding they receive. The principal or program director would determine how to expand a site's arts instruction and/or programs.

Requires Annual Data Reporting. Proposition 28 requires local governing boards to certify each year that the funding their schools received was spent on arts education. Additionally, local governing boards must post on their website a report on how funds were spent. The report must include the type of arts education programs funded, the number of staff employed, the number of students served, and the number of school sites providing arts education with the funding received. This report must also be submitted to CDE and made public on the department's website.

FISCAL EFFECTS

Beginning next year, **Proposition 28 would increase state costs by about \$1 billion annually.** This amount is less than one-half of 1 percent of the state's total General Fund budget. The additional funding would be considered a payment above the constitutionally required amount of funding for public schools and community colleges.

Visit <https://www.sos.ca.gov/campaign-lobbying/cal-access-resources/measure-contributions/2022-ballot-measure-contribution-totals> for a list of committees primarily formed to support or oppose this measure.

Visit <https://www.fppc.ca.gov/transparency/top-contributors.html> to access the committee's top 10 contributors.

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★ ARGUMENT IN FAVOR OF PROPOSITION 28 ★

YES ON 28: ENSURE ACCESS TO ARTS AND MUSIC EDUCATION IN PUBLIC SCHOOLS WITHOUT RAISING TAXES

Arts and music education plays a critical role in helping children learn, develop and achieve in school and later in life. With arts and music education, students:

- Do better in math, reading, and other subjects.
- Learn to think creatively and critically.
- Have better attendance, self-confidence and mental health.

But in California's public schools, arts and music programs have often been the first to get cut. So that now, barely 1 in 5 public schools has a full-time arts or music teacher, which means millions of students don't have an opportunity to participate.

This deprives California students of a well-rounded science, technology, engineering, arts and math (STEAM) curriculum—and means it's harder to prepare them for well-paying jobs in California's economy.

Our kids deserve better.

ADDITIONAL FUNDING FOR ARTS AND MUSIC EDUCATION WITHOUT RAISING TAXES

Prop. 28, the Arts and Music in Public Schools measure, dedicates nearly \$1 billion a year in additional funding for arts and music education in Pre-K–12 public schools—without raising taxes. Under Prop. 28:

- Every public school in every school district will receive increased funding for arts and music education—so every student benefits.
- Schools serving children in low-income communities are allocated additional needed funding.
- Funding must be spent on arts and music education—on teachers, supplies, arts partnerships, training and materials.

The measure includes funding for traditional arts and music classes like theater, dance, band, painting and drawing, and for contemporary arts like graphic design, computer graphics, and film and video.

Prop. 28 protects existing education funding—and does not raise taxes.

STRICT ACCOUNTABILITY AND TRANSPARENCY PROVISIONS

Prop. 28 contains important safeguards to ensure the funds are spent as intended:

- Prohibits the Legislature or school districts from using the funds for other purposes.
- Requires annual audits of the funding.
- Requires schools to publish annual reports on how they spend funds, including the specific programs and how students benefited.

ARTS AND MUSIC EDUCATION IMPROVES MENTAL HEALTH AND SOCIAL DEVELOPMENT

Research has shown that arts and music education benefit children's mental health and social development. Ensuring all children have access to arts and music education is especially important emerging from the pandemic, which isolated many children without access to social interaction.

HELPS PREPARE STUDENTS FOR GOOD JOBS IN CALIFORNIA'S ECONOMY

California's creative economy employs nearly 3 million people in movies, music, art, animation, TV, theater and more. Ensuring access to arts and music education provides children with critical skills they need to succeed and provides our economy with the well-trained workforce California needs to remain a world leader.

"By investing in arts and music education for our children, we can create the well-rounded, diverse workforce of tomorrow."—*Tracy Hernandez, CEO of LA County Business Federation*

A BRIGHTER FUTURE FOR OUR CHILDREN

Please join teachers, parents, education and child development experts, mental health professionals, entrepreneurs and community leaders across the state and Vote Yes on 28.

VoteYesonProp28.org

Austin Beutner, Chairman

Californians for Arts and Music in Public Schools

E. Toby Boyd, President

California Teachers Association

Carol Green, President

California State PTA

★ ARGUMENT AGAINST PROPOSITION 28 ★

NO ARGUMENT AGAINST PROPOSITION 28 WAS SUBMITTED.

28

PROPOSITION
29 **REQUIRES ON-SITE LICENSED MEDICAL PROFESSIONAL AT KIDNEY
DIALYSIS CLINICS AND ESTABLISHES OTHER STATE REQUIREMENTS.
INITIATIVE STATUTE.**

OFFICIAL TITLE AND SUMMARY

PREPARED BY THE ATTORNEY GENERAL

The text of this measure can be found on page 107 and the Secretary of State's website at voterguide.sos.ca.gov.

- Requires physician, nurse practitioner, or physician assistant, with six months' relevant experience, on site during treatment at outpatient kidney dialysis clinics; authorizes exemption for staffing shortage if qualified medical professional is available through telehealth.
- Requires clinics to disclose to patients all physicians with clinic ownership interests of five percent or more.
- Requires clinics to report dialysis-related infection data to state.
- Prohibits clinics from closing or substantially reducing services without state approval.
- Prohibits clinics from refusing to treat patients based on source of payment.

**SUMMARY OF LEGISLATIVE ANALYST'S ESTIMATE OF
NET STATE AND LOCAL GOVERNMENT FISCAL IMPACT:**

- Increased state and local government costs likely in the tens of millions of dollars annually.

ANALYSIS BY THE LEGISLATIVE ANALYST

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BACKGROUND

DIALYSIS TREATMENT

Kidney Failure. Healthy kidneys remove waste and extra fluid from a person's blood. Kidney disease happens when a person's kidneys do not work properly. Over time, a person may develop kidney failure. This means the kidneys no longer work well enough for the person to live without a kidney transplant or ongoing treatment called dialysis.

Dialysis Mimics What a Normal Kidney Does.

Dialysis copies what healthy kidneys do. Most people on dialysis undergo hemodialysis. This form of dialysis removes blood from the body, filters it through a machine to remove waste and extra fluid, then returns it to the body. A single treatment lasts about four hours and happens about three times per week.

Most Dialysis Patients Receive Treatment in Clinics.

Most people with kidney failure receive dialysis at chronic dialysis clinics (clinics), although some may receive dialysis at hospitals or in their own homes. About 650 licensed clinics in California provide dialysis to roughly 80,000 patients each month. Given how often patients need dialysis and how long treatments

last, clinics often offer treatments six days per week and often are open outside of typical business operating hours.

Patient's Own Physician Oversees Treatment.

When a patient has kidney failure, the patient's physician develops a plan of care, which could include a referral for dialysis. The physician designs the dialysis treatment plan, including specific aspects such as frequency, duration, and associated medicines. Clinics carry out the treatment. The physician continues to oversee the patient's care. Under federal rules, the physician must visit the patient during dialysis treatment at the clinic at least once per month.

Various Entities Own and Operate Dialysis Clinics.

Two private for-profit companies—DaVita, Inc. and Fresenius Medical Care—own or operate nearly 75 percent of licensed clinics in California. A variety of nonprofit organizations and for-profit companies own or operate the other clinics. Most of these other owners and operators have multiple clinics in California, while a small number own or operate a single clinic. In recent years, the majority of clinics' revenues exceed costs, while a smaller share of clinics operate at a loss. Some owners and operators with multiple clinics can use their higher-earning clinics to help support their clinics that operate at a loss.

ANALYSIS BY THE LEGISLATIVE ANALYST

CONTINUED

However, an owner or operator may be less likely to keep an individual clinic open over the longer term if that clinic is likely to keep operating at a loss.

PAYING FOR DIALYSIS

Few Main Sources Pay for Dialysis. We estimate that clinics have total revenues of around \$3.5 billion each year (annually) from their operations in California. These revenues consist of payments for dialysis from a few main sources, or payers:

- **Medicare.** This federally funded program provides health coverage to most people ages 65 and older and certain younger people who have disabilities. Federal law generally makes people with kidney failure eligible for Medicare coverage regardless of age or disability status. Medicare pays for dialysis treatment for the majority of people on dialysis in California.
- **Medi-Cal.** The federal-state Medicaid program, known as Medi-Cal in California, provides health coverage to eligible low-income California residents. The state and federal governments share the costs of Medi-Cal. Some people qualify for both Medicare and Medi-Cal. For these people, Medicare covers most of the payment for dialysis as the main payer and Medi-Cal covers the rest. For people enrolled only in Medi-Cal, the Medi-Cal program alone pays for dialysis.
- **Group and Individual Health Insurance.** Many people in the state have group health insurance coverage through an employer or another organization (such as a union). Other people purchase health insurance individually. When an insured person develops kidney failure, that person can usually transition to Medicare coverage. Federal law requires a group insurer to be the main payer for dialysis treatment for the first 30 months of treatment.

The California state government, the state's two public university systems, and many local

governments in California provide group health insurance coverage for their current workers, eligible retired workers, and their families.

Group and Individual Health Insurers Typically Pay Higher Rates for Dialysis Than Government Programs. The rates that Medicare and Medi-Cal pay for a dialysis treatment are fairly close to the average cost for clinics to provide a dialysis treatment. Government regulations largely decide what these rates are. In contrast, group and individual health insurers negotiate with clinic owners and operators to set rates. On average, group and individual health insurers pay multiple times what government programs pay for a dialysis treatment.

HOW CHRONIC DIALYSIS CLINICS ARE REGULATED

California Department of Public Health (CDPH) Licenses and Certifies Dialysis Clinics. CDPH licenses clinics to operate in California. CDPH also certifies clinics on behalf of the federal government. Certification allows clinics to receive payment from Medicare and Medi-Cal. Currently, California relies primarily on federal regulations as the basis for its licensing program.

Federal Regulations Require a Medical Director at Each Dialysis Clinic. Federal regulations require each clinic to have a medical director who is a board-certified physician. The medical director is responsible for quality assurance, staff education and training, and development and implementation of clinic policies and procedures. Federal regulations do not require medical directors to spend a set amount of time at the clinic. Federal guidelines, however, consider the position to reflect about one-quarter of a full-time position.

Dialysis Clinics Must Report Infection-Related Information to a National Network. To receive payments from Medicare, clinics must report specific dialysis-related infection information to the National Healthcare Safety Network at the federal Centers for Disease Control and Prevention. For example, clinics must report when a patient develops a bloodstream infection and the suspected cause of the infection.

ANALYSIS BY THE LEGISLATIVE ANALYST

CONTINUED

PROPOSAL

Proposition 29 includes several requirements affecting clinics, as discussed below. It gives duties to CDPH to implement and administer the proposition, including adopting regulations within one year after the law takes effect.

Requires Each Dialysis Clinic to Have a Physician, Nurse Practitioner, or Physician Assistant On-Site During All Treatment Hours. Proposition 29 requires each clinic to have, at its expense, at least one physician, nurse practitioner, or physician assistant on-site during all the hours patients receive treatments at that clinic. This individual must have at least six months of experience providing care to kidney patients and is responsible for patient safety and the provision and quality of medical care. A clinic may ask CDPH to grant an exception from this requirement if there are not enough physicians, nurse practitioners, or physician assistants in the clinic's area. If CDPH approves the exception, the clinic can meet the requirement through telehealth. The exception lasts for one year.

Requires Dialysis Clinics to Report Infection-Related Information to CDPH. Proposition 29 requires clinics to report dialysis-related infection information to CDPH every three months. CDPH must specify which information clinics should report, and how and when to report the information. CDPH must post each clinic's infection information on the CDPH website, including the name of the clinic's owner or operator.

Requires Dialysis Clinics to Say Who Its Owners Are. Proposition 29 requires a clinic to give patients a list of all physicians who own at least 5 percent of the clinic. The clinic must give a patient this list when the patient is starting treatment, each year after that, or any time a patient (or potential patient) asks for it. The proposition also requires clinics to report to CDPH every three months persons who own at least 5 percent of the clinic. Both CDPH and clinics (or their owners or operators) must post this information on their websites.

Charges Penalties if Dialysis Clinics Do Not Report Required Information. If a clinic or its owner or operator does not report required information or reports inaccurate information, CDPH may issue a penalty of up to \$100,000 against the clinic. The clinic may request a hearing if it disagrees with the penalty. Any penalties collected would be used by CDPH to implement and enforce laws concerning clinics.

Requires Dialysis Clinics to Notify and Obtain Consent From CDPH Before Closing or Substantially Reducing Services. If a clinic plans to close or substantially reduce its services, Proposition 29 requires the clinic or its owner or operator to notify CDPH in writing and obtain CDPH's written consent. The proposition allows CDPH to determine whether or not to consent. It allows CDPH to base its decision on such information as the clinic's financial resources and the clinic's plan for making sure patients have uninterrupted dialysis care. A clinic may dispute CDPH's decision by requesting a hearing.

Prohibits Dialysis Clinics From Refusing Care to a Patient Based on Who Is Paying for the Patient's Treatment. Under Proposition 29, clinics are required to offer the same quality of care to all patients. Clinics cannot refuse to offer or provide care to patients based on who pays for patients' treatments. The payer could be the patient, a private entity, the patient's health insurer, Medi-Cal, or Medicare.

FISCAL EFFECTS

INCREASED COSTS FOR DIALYSIS CLINICS AFFECT STATE AND LOCAL COSTS

Proposition 29 Increases Costs for Dialysis Clinics. Overall, the proposition would increase costs for clinics. In particular, the proposition's requirement that each clinic have a physician, nurse practitioner, or physician assistant on-site during all treatment hours would increase each clinic's costs by several hundred thousand dollars annually on average. Other requirements of the proposition would not significantly increase clinic costs.

ANALYSIS BY THE LEGISLATIVE ANALYST

CONTINUED

Clinics Could Respond to Higher Costs in Different Ways. The cost to have a physician, nurse practitioner, or physician assistant on-site would affect individual clinics differently depending on their finances. For example, the additional cost could cause some clinics to operate at a loss, or at a greater loss than previously. As noted earlier, an owner or operator might be able to support these clinics with its higher-earning clinics. However, the owner or operator might not be willing or able to do this over the longer term. Owners and operators might respond to Proposition 29 in one or more of the following ways:

- **Negotiate Increased Rates With Payers.** Owners and operators might try to negotiate higher rates from payers to cover some of the costs. Specifically, owners and operators may be able to negotiate higher rates with private commercial insurance companies and, to a lesser extent, with Medi-Cal managed care plans.
- **Continue Current Operations, but With Lower Profits.** For some owners and operators, the higher costs would reduce their profits, but they still could operate at current levels without closing clinics.
- **Close Some Clinics.** Given the higher costs a clinic would face, some owners and operators may decide to seek consent from CDPH to close some of their clinics that are operating at a loss.

Proposition 29 Could Increase Health Care Costs for State and Local Governments. Under the proposition, state Medi-Cal costs, and state and local employee and retiree health insurance costs, could increase due to:

- Owners and operators negotiating higher payment rates.
- Some patients requiring treatment in costlier settings like hospitals if some clinics closed in response to the proposition.

Overall, we assume that clinic owners and operators generally would: (1) be able to

negotiate with some payers to receive higher payment rates to cover some of the new costs imposed by the proposition, particularly if many clinics were to close otherwise; (2) continue to operate some clinics with reduced income; and (3) close some clinics, with the consent of CDPH. This scenario would lead to **increased costs for state and local governments likely in the tens of millions of dollars annually.** (State and local governments currently spend more than \$65 billion on Medi-Cal and employee and retiree health coverage.) This amount is less than one-half of 1 percent of the state's total General Fund spending. (The General Fund is the state's main operating account, which pays for education, prisons, health care, and other public services.)

In the less likely event that a relatively large number of clinics would close due to this proposition, having obtained consent from CDPH, state and local governments could have additional costs in the short run. These additional costs are highly uncertain.

INCREASED ADMINISTRATIVE COSTS FOR CDPH COVERED BY DIALYSIS CLINIC FEES

Proposition 29 imposes new regulatory responsibilities on CDPH. The annual cost of these new responsibilities likely would not exceed the low millions of dollars annually. The proposition requires CDPH to adjust the annual licensing fee paid by clinics to cover these costs.

Visit <https://www.sos.ca.gov/campaign-lobbying/cal-access-resources/measure-contributions/2022-ballot-measure-contribution-totals> for a list of committees primarily formed to support or oppose this measure.

Visit <https://www.fppc.ca.gov/transparency/top-contributors.html> to access the committee's top 10 contributors.

★ ARGUMENT IN FAVOR OF PROPOSITION 29 ★

Life-Saving Changes for Dialysis Patients

Three times every week, 80,000 Californians with End Stage Renal Disease go to one of more than 600 commercial dialysis centers in the state where they spend several hours connected to a machine that removes their blood, cleans it, and returns it to their bodies. Dialysis literally is what keeps them alive, and they must continue the treatment for the rest of their lives or until they receive a kidney transplant.

Because the lives of these fellow Californians are so dependent on dialysis done both safely and effectively, we must give our absolute support to the *Protect the Lives of Dialysis Patients Act* on the Nov. 8 ballot. This initiative makes common-sense improvements to dialysis treatment to protect some of the most medically vulnerable Californians.

The initiative does five major things:

First, it requires a physician, nurse practitioner, or physician assistant to be in the clinic whenever patients are being treated, which is not currently required. Dialysis is a dangerous procedure, and if something goes wrong, a doctor or highly trained clinician should be nearby.

Second, as dialysis patients are prone to infections that can lead to more serious illnesses or even death, it requires clinics to report data on infections to the state so problems can be identified and solved to better protect patients.

Third, as life-saving health care facilities, it requires dialysis corporations to get approval from the state before closing clinics or reducing services. This will protect access to dialysis treatment, particularly for patients in rural communities.

Fourth, it prohibits clinics from discriminating against patients because of their type of insurance and protects patients in every clinic. Whether in a wealthy neighborhood or a poor, rural, Black or Brown community, all clinics will be required to have a doctor or other highly trained clinician on-site and to report their infection rates, and all dialysis corporations will be prohibited from discriminating against patients based on insurance type.

Fifth, it increases transparency and helps patients make informed decisions for their care by requiring clinics and dialysis corporations to disclose information on ownership. As joint ventures between dialysis clinics and doctors become more common, improved transparency is needed to allow stakeholders and policy makers to study the effects of physician ownership.

Don't fall for big dialysis corporations' claims that this initiative will create huge new costs, harm patients, or create a shortage of doctors—those fake arguments are just designed as scare tactics in their dishonest public relations campaign. The fact is these corporations can easily make these changes and still profit hundreds of millions of dollars a year without disrupting our healthcare system.

Proposition 29 will make the changes we need to truly protect dialysis patients. We urge you to vote YES!

Emanuel Gonzales, Dialysis Patient Care Technician

Reverend Kisheen W. Tulloss, President

The Baptist Ministers Conference of Los Angeles

Cecilia Gomez-Gonzalez, Dialysis Patient Advocate

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★ REBUTTAL TO ARGUMENT IN FAVOR OF PROPOSITION 29 ★

JOIN DIALYSIS PATIENTS, NURSES, DOCTORS AND FAMILIES: NO ON 29—YET ANOTHER DANGEROUS DIALYSIS PROPOSITION

More than 80,000 Californians with failed kidneys need dialysis treatments three days a week to stay alive. Missing even a single dialysis treatment increases patients' risk of death by 30%.

Proposition 29's bureaucratic requirements will force dialysis clinics throughout the state to cut back services or shut down, making it harder for patients to access their treatments—putting their lives at serious risk.

PROP. 29 IS UNECESSARY AND WILL HARM—NOT IMPROVE—DIALYSIS CARE

California's dialysis clinics have high ratings for quality care and patient satisfaction. Every dialysis patient in California is under the care of their own kidney doctor and treatments are administered by specially trained nurses and technicians. It makes no sense to also require a physician administrator on site full-time who will not be involved in providing care. Prop. 29 will unnecessarily

drive-up health care costs, force dialysis clinics to shut down and risk patient lives.

VOTERS HAVE ALREADY REJECTED SIMILAR DIALYSIS PROPOSITIONS—TWICE!

This is the third time in as many elections that a special interest has placed similar dialysis propositions on the ballot. Sixty-three percent (63%) of California voters overwhelmingly rejected Prop. 23—an almost identical measure—just last election.

Enough is enough. Special interests need to respect the will of the voters and stop pushing these dangerous dialysis propositions that threaten the lives of 80,000 dialysis patients.

PROTECT DIALYSIS PATIENTS. VOTE NO ON 29!

www.NoProp29.com

Marketa Houskova, DNP, RN, Executive Director
American Nurses Association\California

Margarita Mendoza, Kidney Dialysis Patient

Robert E. Wailes, M.D., President
California Medical Association

★ **ARGUMENT AGAINST PROPOSITION 29** ★

**DIALYSIS PATIENTS STRONGLY OPPOSE PROP. 29
BECAUSE IT PUTS OUR LIVES AT RISK**

“This is the third time a special interest has placed a proposition on the ballot putting my life and the lives of 80,000 other dialysis patients at risk. Twice, voters have overwhelmingly rejected these dangerous propositions. Please, reject Prop. 29 to stop *yet another* dangerous dialysis proposition.”—Angel De Los Santos, dialysis patient, Los Angeles

“I’ve been on dialysis for two years. Dialysis is literally my life support. I am so angry that one special interest is pushing a third proposition that puts my life at risk. Please, protect patients like me . . . again. Vote NO on 29.”—Rachel Sprinkle-Strong, dialysis patient, Sacramento

**PROP. 29 WOULD FORCE COMMUNITY DIALYSIS
CLINICS TO CUT SERVICES OR SHUT DOWN—
RISKING PATIENTS’ LIVES**

Dialysis patients, nurses and doctors strongly oppose Prop. 29. More than 80,000 Californians with failed kidneys need dialysis treatments three days a week to stay alive. Missing even a single dialysis treatment increases patients’ risk of death by 30%.

Proposition 29 would force dialysis clinics to have new administrators on-site at all times—even though they would not provide direct patient care. This unnecessary requirement would cost hundreds of millions every year, forcing dialysis clinics throughout the state to cut back services or shut down, making it harder for patients to access their treatments—putting their lives at risk.

**DIALYSIS CLINICS ARE STRICTLY REGULATED AND
PROVIDE HIGH QUALITY CARE**

California’s dialysis clinics are regulated by federal and state agencies and have high ratings for quality care and patient satisfaction. Each dialysis patient in California is under the care of their own kidney specialist and dialysis treatments are administered by specially trained nurses

and licensed technicians. It makes no sense to also require a physician administrator on-site full-time who will not be involved in providing care.

**PROP. 29 WOULD WORSEN OUR HEALTH CARE
WORKER SHORTAGE AND LEAD TO MORE
EMERGENCY ROOM OVERCROWDING**

“Proposition 29 would take thousands of doctors, physician assistants and nurse practitioners away from hospitals and clinics—where they’re needed—and place them into administrative jobs at dialysis clinics where they aren’t.”—Marketa Houskova, Doctor of Nursing Practice, RN, Executive Director of American Nurses Association\California.

“Prop. 29 would make our growing physician shortage even worse by taking doctors away from hospitals and clinics where they are needed, increasing wait times and reducing capacity to deal with other medical emergencies.”—Robert E. Wailes, M.D., President, California Medical Association

ANOTHER SPECIAL INTEREST ABUSE

This is the third time this special interest has placed similar dialysis measures on the ballot. Twice, California voters have *overwhelmingly rejected* these measures. Special interests need to respect the will of the voters and stop threatening dialysis patients’ lives.

**JOIN DIALYSIS PATIENTS, FAMILIES, NURSES AND
DOCTORS: NO ON 29**

Prop. 29 opposed by: • Tens of thousands of dialysis patients and families • American Nurses Association\California • American Academy of Nephrology Physician Assistants • Dialysis Patient Citizens, representing thousands of patients • California Medical Association, representing 40,000 California physicians • Emergency room doctors

www.NOProp29.com

Anthony Hicks, Kidney Dialysis Patient

Angelic Nicole Gant, Kidney Dialysis Patient

Gregory Ridgeway, Kidney Dialysis Patient

★ **REBUTTAL TO ARGUMENT AGAINST PROPOSITION 29** ★

**BIG DIALYSIS CORPORATIONS WANT TO PROTECT
THEIR PROFITS, NOT PATIENTS**

In 2020, the California dialysis industry spent over \$100 million to defeat an initiative to improve conditions for patients in dialysis clinics. Why did they spend so much? To protect their massive \$561 million in profits in California in 2020.

To patients, dialysis is lifesaving. But to industry executives, it’s a huge money-maker, so they’re at it again, stoking fear by threatening to close clinics if Prop. 29 passes and they’re held accountable to higher standards. Once again they are using gravely ill dialysis patients to shield their perks and million-dollar salaries. They claim, falsely, that the initiative will hurt patients. They claim dialysis doctors and nurses are against it, but those are doctors and nurses on their payroll.

They say dialysis clinics are already highly regulated, but they face far fewer inspections than other health facilities, and even so, deficiencies are often uncovered. Prop. 29 makes commonsense improvements to protect patients’ lives, like having a doctor or nurse practitioner required on-site to deal with emergencies, requiring the centers to report infection data, ending discrimination against some patients based on the type of insurance they have, and requiring the state to approve any clinic closures so patients aren’t left without treatment.

Once and for all, Californians can protect fragile dialysis patients by voting Yes on Prop. 29.

Shama Aslam, Former Dialysis Patient

Richard Elliott, Dialysis Patient

Ruben Tadeo, Dialysis Patient

PROPOSITION
**30 PROVIDES FUNDING FOR PROGRAMS TO REDUCE AIR POLLUTION
AND PREVENT WILDFIRES BY INCREASING TAX ON PERSONAL
INCOME OVER \$2 MILLION. INITIATIVE STATUTE.**

OFFICIAL TITLE AND SUMMARY

PREPARED BY THE ATTORNEY GENERAL

The text of this measure can be found on page 111 and the Secretary of State's website at voterguide.sos.ca.gov.

- Increases tax on personal income over \$2 million by 1.75% for individuals and married couples and allocates new tax revenues as follows: (1) 45% for rebates and other incentives for zero-emission vehicle purchases and 35% for charging stations for zero-emission vehicles, with at least half of this funding directed to low-income households and communities; and (2) 20% for wildfire prevention and suppression programs, with priority given to hiring and training firefighters.
- Requires audits of programs and expenditures.

**SUMMARY OF LEGISLATIVE ANALYST'S ESTIMATE
OF NET STATE AND LOCAL GOVERNMENT FISCAL
IMPACT:**

- Increased state tax revenue ranging from \$3.5 billion to \$5 billion annually, with the new funding used to support zero-emission vehicle programs (80 percent) and wildfire response and prevention activities (20 percent).

ANALYSIS BY THE LEGISLATIVE ANALYST

BACKGROUND

California Personal Income Taxes. The state collects a tax on personal income earned within the state. Last year, the personal income tax raised over \$130 billion in revenue. Most of the revenue helps pay for education, prisons, health care, and other public services.

Zero-Emission Vehicle Programs. The state has goals to limit greenhouse gas emissions that contribute to climate change, such as carbon dioxide from burning fossil fuels. To help meet these goals, the state has programs that promote zero-emission vehicles (ZEVs)—or vehicles that do not release pollution from the tailpipe. Examples of ZEVs include electric cars and hydrogen fuel cell cars. The state requires ride-sharing companies (such as Uber and Lyft) to use an increasing number of ZEVs for their services. The state also gives some funding to help households, businesses, and governmental

agencies buy new ZEVs and install fueling infrastructure, such as charging stations for electric cars.

Wildfire Response and Prevention Programs.

The state has the main responsibility for wildfire response activities—commonly known as firefighting—on about one-third of California's land area. (The federal government and local agencies have the main responsibility for wildfire response everywhere else in California.) Wildfire response activities help limit the spread of large wildfires and stop them from damaging communities and harming residents. The state also runs wildfire prevention programs to reduce the chances that wildfires will start and to limit the damage they cause when they do occur. Some examples of wildfire prevention activities include removing trees from overgrown forests and clearing dead plants that are likely to catch on fire in areas near buildings.

PROPOSAL

CREATES A NEW TAX ON HIGH-INCOME TAXPAYERS

Beginning January 2023, Proposition 30 requires taxpayers with incomes above \$2 million each year (annually) to pay an additional tax of 1.75 percent on the share of their income above \$2 million. This additional tax would end by January 2043. The tax could end several years earlier if California is able to drop its statewide greenhouse gas emissions below certain levels before then.

USES REVENUE TO EXPAND ZEV PROGRAMS AND WILDFIRE ACTIVITIES

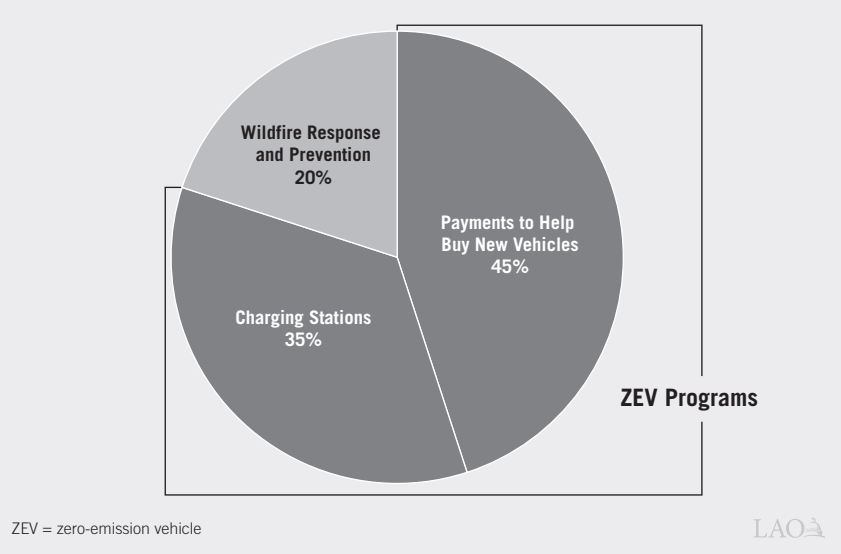
Proposition 30 requires that the revenue from the new tax go to increasing funding for ZEV programs and wildfire activities, as shown in Figure 1. The money would go to several state agencies to manage the programs and activities.

ZEV Programs (80 Percent). About 80 percent of the total revenue is for two ZEV program categories:

- **Payments to Help Buy New Vehicles.** Most of this money must be used to help households, businesses, and governments pay for part of the cost of new passenger ZEVs (such as cars, vans, and pick-up trucks). The rest of the money would be available for other programs. These include payments to businesses

Figure 1

Proposition 30 Uses Increased Revenue for ZEV Programs and Wildfire Activities



and governments to help buy large ZEVs (such as trucks and buses) and programs that encourage less driving and improve local air quality.

- **Charging Stations.** This money would be used to install and operate ZEV charging and fueling stations at places such as apartment buildings, single-family homes, and public locations.

For each category above, at least half of the money must be spent on projects that benefit people who live in or near heavily polluted and/or low-income communities. The rest of the money could be spent on projects anywhere in the state.

Wildfire Response and Prevention Activities (20 Percent). About 20 percent of total revenue must be spent on wildfire response and prevention activities. In general, the state would have to prioritize spending to hire, train, and retain state firefighters. The

ANALYSIS BY THE LEGISLATIVE ANALYST

CONTINUED

rest of the money could be used for other wildfire response and prevention activities.

FISCAL EFFECTS

Increased State Tax Revenues From New Tax for ZEV Programs and Wildfire Activities. The new tax on high-income taxpayers typically would raise \$3.5 billion to \$5 billion annually, growing over time. This range reflects the changes in the incomes of high-income taxpayers. Their incomes often change greatly due to changes in the economy and stock market. Based on the spending requirements in Proposition 30, this funding would support:

- **ZEV Programs.** The proposition would increase state funding for ZEVs by \$2.8 billion to \$4 billion annually. The state typically spends hundreds of millions of dollars annually on ZEV programs and also recently committed to spending about \$10 billion over a five-year period on these programs.
- **Wildfire Response and Prevention Activities.** The proposition would increase state funding for wildfire response and prevention activities by \$700 million to \$1 billion annually. The state typically spends about \$2 billion to \$4 billion annually on wildfire activities, mostly on firefighting.

Potential State and Local Effects From Increased ZEV Spending. The additional funding for ZEV programs under Proposition 30 could impact the number of ZEVs, as well as gasoline- or diesel-powered vehicles, being driven in California. However, the actual effect the proposition would have is uncertain for a variety of reasons. Most notably, while this

analysis was being written, the state was considering requiring that car companies sell an increasing share of ZEVs in future years until 2035 when they would only be able to sell ZEVs. (The state was scheduled to decide on this requirement by August 2022.) This requirement is sometimes called a “ZEV mandate.” The proposition’s potential transportation-related fiscal effects on state and local governments depend on whether or not the ZEV mandate is approved.

- If the state *approves* the ZEV mandate, then the additional funding from the proposition to help buy new ZEVs would not have much effect on the total number of ZEVs driven in California. This is because the ZEV mandate would already require a significant increase in the number of ZEV sales, even without the additional spending. Instead, the proposition’s main effect would be to shift who pays for the ZEVs. That is, more costs would be covered by revenue from the new tax on high-income taxpayers instead of by vehicle sellers and/or buyers. This would not have much effect on state and local finances.
- If the state *does not approve* the ZEV mandate, then the funding from the proposition to help buy new ZEVs would increase the number of ZEVs—and decrease the number of gasoline- or diesel-powered vehicles—driven in California. As a result, the amount of gasoline being used would be less. Over the long term, this change could have several different fiscal effects on state and local governments, including lower gasoline tax revenues that are used for transportation projects,

ANALYSIS BY THE LEGISLATIVE ANALYST

CONTINUED

higher revenues from electricity taxes, and other effects related to less air pollution. The net fiscal effect of these changes are uncertain, but likely minor compared to the hundreds of billions of dollars state and local governments spend annually on all activities.

Potential Decreased State and Local Costs for Wildfire Response and Recovery.

Proposition 30 could somewhat decrease state and local government costs related to firefighting, clean-up, and recovery if the additional funding for wildfire activities ends up reducing the severity of future wildfires. However, any cost reductions would depend on (1) which specific wildfire activities end up being funded, (2) how effectively these activities reduce wildfire severity, and (3) the severity of wildfires that would have otherwise taken place in any specific year. All of these factors are uncertain, which makes the size of the potential fiscal effects on state and local governments unclear.

Decreased State Revenue for Other Activities.

Some taxpayers probably would take steps to reduce the amount of income taxes they owe. This would reduce existing state revenues used to pay for activities not funded by Proposition 30. The degree to which this would happen and how much revenue the state might lose as a result is unknown.

Potential Reductions to Other State Programs to Comply With State Spending Limit.

With some exceptions, such as responding to emergencies and building infrastructure, the California Constitution limits how much the state can spend. In recent years, state spending has reached this limit. Some of the spending required by Proposition 30—likely an amount ranging from about \$1.5 billion to \$3 billion annually—would count toward this limit. As a result, when state spending is at the limit, the proposition would require the state to reduce an equal amount of spending from other programs to “make room” for the new required spending on ZEV programs and wildfire activities.

Visit <https://www.sos.ca.gov/campaign-lobbying/cal-access-resources/measure-contributions/2022-ballot-measure-contribution-totals> for a list of committees primarily formed to support or oppose this measure.

Visit <https://www.fppc.ca.gov/transparency/top-contributors.html> to access the committee’s top 10 contributors.

★ ARGUMENT IN FAVOR OF PROPOSITION 30 ★

CALIFORNIANS DESERVE CLEAN AIR TO BREATHE

Climate change is fueling extreme heat, prolonged drought and catastrophic wildfires that are taking lives, destroying homes and costing California's economy tens of billions of dollars.

Fire season is now year-round. The air quality in California is the worst in the country (*2022 American Lung Association report*). The toxic, polluted air exposes us—especially children and seniors—to increased health risks like asthma, heart attacks, lung cancer and strokes.

Existing programs are not enough to address this growing threat to California's economy, environment and public health. We must act urgently to reduce the top two sources of air pollution and greenhouse gases in California: wildfires and vehicles.

PROP. 30 WILL REDUCE CATASTROPHIC WILDFIRES AND AIR POLLUTION FROM VEHICLES

Prop. 30 provides funding to improve California air quality by:

- Preventing and fighting wildfires.
- Providing consumers rebates to help them afford clean, zero-emission electric vehicles.
- Creating a statewide network of affordable, convenient charging stations for electric vehicles.

The measure is funded by a 1.75% tax increase on the roughly 35,000 Californians who make more than \$2 million annually. PERSONAL INCOME BELOW \$2 MILLION IS NOT TAXED.

Only the wealthiest 0.2% will be impacted. *Small business revenue is NOT taxed.*

PREVENTING WILDFIRES AND PROTECTING HOMES

Prop. 30 funds critically needed programs to prevent catastrophic wildfires and protect homes, including:

- Managing forests to reduce dry vegetation that fuels extreme wildfires.
- Improving protective space around homes and businesses to reduce the risk wildfires spread through communities.
- Hiring and training state firefighters and increasing firefighting equipment to stop wildfires before they grow out of control.

Our firefighters put their lives on the line to protect us—they deserve more help as they face increasingly dangerous fires.

PROP. 30: STRICT ACCOUNTABILITY

- Caps administrative expenses.
- Requires independent audits by the State Auditor and State Controller to ensure funds get spent as intended.
- Prohibits the Legislature from appropriating funds for other purposes.
- Provides criminal and financial penalties for misuse of funds.

MAKING ELECTRIC VEHICLES A MORE AFFORDABLE CHOICE

Gas is too expensive. Consumers want options, but many can't afford an electric vehicle. Prop. 30 provides DIRECT REBATES AND FINANCIAL ASSISTANCE TO CONSUMERS to make sure low- and middle-income families who want an electric vehicle can afford one. School buses, farm equipment and big rig trucks are also eligible to help reduce diesel pollution.

EXPANDING CHARGING INFRASTRUCTURE STATEWIDE

Prop. 30 develops the network of affordable charging stations throughout the state that we need—creating thousands of good-paying green jobs. Homes, apartments, businesses and local governments are eligible to ensure charging a car is more convenient than buying gas: available at work, home and in commercial and public spaces. The measure will upgrade the electric grid to ensure reliability as we transition to more electric vehicles.

OUR KIDS DESERVE A FUTURE WITH CLEAN AIR

With Prop. 30, we can reduce extreme wildfires and restore clean air to California. Please join state firefighters, nurses, doctors, scientists, environmental groups and businesses across California in support.

www.Yeson30.org

Tim Edwards, President

CalFire State Firefighters

David Tom Cooke, M.D., FACS

American Lung Association

Sherry Jackman, Vice Chair

Coalition for Clean Air

★ REBUTTAL TO ARGUMENT IN FAVOR OF PROPOSITION 30 ★

CALIFORNIANS DESERVE CLEAN AIR. That's why California is spending more than \$50 billion for a multi-year climate investment, including \$10 billion to accelerate the transition for zero emission vehicles (ZEVs). California is working to protect our neighborhoods, farms, and communities from the impact of climate change, fight pollution and suppress wildfires.

CALIFORNIANS FACE HISTORIC INFLATION RATES. We don't need to face billions in higher taxes. Proposition 30's narrow focus puts a special interest lock box on these new income taxes—normally the largest source of funding for California's K–12 schools and community colleges, making them unavailable in the future. This tax provides no funding for healthcare, public safety, agriculture, or services for the elderly and homeless; and does little to help state and local governments save for the future.

LOW INCOME CALIFORNIANS ARE NOT GUARANTEED ZEVs WILL BE AFFORDABLE. While many Californians are

struggling to pay rent and put food on the table, Prop. 30 does not guarantee low income families will be able to buy ZEVs. Most ZEVs are purchased by wealthy and upper middle-class Californians. Prop. 30 doesn't resolve this deep inequity.

THE CALIFORNIA AIR RESOURCES BOARD RULED RIDESHARE COMPANIES, INCLUDING LYFT, MUST GO 90% ZERO EMISSION BY 2030. Rather than pay its fair share, LYFT lobbied the state to pay for ZEV infrastructure and corporate subsidies.

Now, LYFT has spent more than \$15 million to fund Proposition 30. Why? So that taxpayers will pick up the tab for billions of dollars in ZEV upgrades LYFT needs.

VOTE NO.

E. Toby Boyd, President

California Teachers Association

Jack O'Connell, State Superintendent of Public Instruction, Ret.

★ **ARGUMENT AGAINST PROPOSITION 30** ★

PROP. 30 WILL INCREASE TAXES FOR UP TO 20 YEARS BY AT LEAST \$30 BILLION AND AS MUCH AS \$90 BILLION, DRIVING UP COSTS FOR EVERY CALIFORNIAN.

California families are feeling the pinch from high inflation, and rising gas, food and housing prices. The last thing we need now are higher taxes, especially if the recession predicted by many economists hits families and threatens their livelihoods.

Californians already pay the highest state income taxes and highest gas taxes, one of the highest sales taxes, and grapple daily with among the highest costs of living in the nation.

Prop. 30 will be the largest tax increase in California in over a decade—as utility rates skyrocket for homeowners and small businesses, and higher taxes get passed on to consumers.

PROP. 30 WILL SEVERELY STRAIN A STRUGGLING ELECTRICITY GRID ALREADY AT RISK OF ROLLING BLACKOUTS.

Prop. 30 would add up to three million new zero-emission vehicles in California over the next ten years, which means the state would need to increase the capacity of the current electricity grid to handle this massive increase. This expense is NOT included in Prop. 30 and could be paid for by regular utility ratepayers (who already pay some of the highest rates in the nation). Utility costs could skyrocket, and ratepayers could pay much higher electricity bills each month.

California's power grid is already stressed to the brink each summer—just two years ago many Californians suffered rolling blackouts. Our electricity grid is already at the limit in the summer months, and Prop. 30 will increase demand so the risk of rolling blackouts will become even worse.

CALIFORNIA IS CURRENTLY POURING BILLIONS OF DOLLARS INTO ELECTRIC VEHICLE PROGRAMS.

More new tax revenue is unnecessary. The State budget surplus grew to \$97.5 billion this year. The state has already developed a spending plan to ensure the rapid adoption of zero emission vehicles without raising taxes and without threatening the stability of the electricity grid, and has already budgeted \$10 billion to achieve these goals. If more funding is needed, the state's budget surplus can be tapped—instead of raising more new taxes.

MORE SPENDING ON WILDFIRE PROTECTION CAN EASILY BE PAID USING THE STATE'S BUDGET SURPLUS.

California currently spends billions of dollars annually on wildfire prevention and suppression. Using part of the state's \$97.5 billion surplus, this year spending nearly \$4 billion on wildfire protection—with more than a thousand new fire fighter positions. This initiative would make a small increase to their budget, an amount that could easily be funded from the state's budget surplus.

JOIN TAXPAYERS, TEACHERS AND SMALL BUSINESSES TO REJECT THIS UNNECESSARY TAX INCREASE THAT COULD PUT OUR ELECTRICITY GRID AT RISK!

Jon Coupal, President
Howard Jarvis Taxpayers Association

Betty Jo Toccoli, President
California Small Business Association

Joe Coto, President
United Latinos Action

★ **REBUTTAL TO ARGUMENT AGAINST PROPOSITION 30** ★

PROP. 30: FEWER WILDFIRES, CLEANER AIR. FUNDED BY TAXING BILLIONAIRES.

Climate change is fueling catastrophic wildfires that pose a growing threat to our lives, property and economy. California's air is polluted, threatening our health.

Our state government is not doing enough—even with a budget surplus!

Prop. 30 asks the wealthiest 0.2% to pay their fair share for programs to prevent wildfires and reduce air pollution—so Californians have clean air to breathe.

Here are the facts about Prop. 30:

ONLY TAXES PERSONAL INCOME OVER \$2 MILLION.

Taxpayers earning below \$2 million annually will not pay higher taxes or costs. [Section 2, 17044(a).]

IMPROVES ELECTRIC GRID RELIABILITY

• Provides billions in funding for grid upgrades and infrastructure to ensure reliability. • Prohibits actions that could compromise the grid. [Section 1, 80211]

"Electric vehicles store electricity that could be put *back* on the grid when it is stressed, helping *prevent* blackouts."—Ethan Elkind, Climate Program Director, UC Berkeley School of

Law Center for Law, Energy, and the Environment

SAVES CONSUMERS MONEY ON ELECTRIC CARS

A 2020 Consumer Reports Study found consumers save \$6,000–\$10,000 on lower maintenance and fueling costs over the life of an electric vehicle, compared to gas-powered cars.

Prop. 30 helps consumers afford electric vehicles, so they can **SAVE MONEY ON GAS** and maintenance. [Section 1, 80221]

PROP. 30: SUPPORTED BY STATE FIREFIGHTERS, OPPOSED BY BILLIONAIRES

The billionaires and CEOs behind the opposition will say anything to avoid higher taxes—even for wildfires and clean air.

Get the facts and decide for yourself: www.Yeson30.org/getthefacts

Join state firefighters, environmental groups, consumer advocates and energy experts: **YES on 30.**

Mary Creasman, CEO
California Environmental Voters

Max Baumhefner, Senior Attorney on Climate and Clean Energy
Natural Resources Defense Council

Dr. Jose Pablo Ortiz Partida, Senior Climate Scientist
Union of Concerned Scientists

REFERENDUM ON 2020 LAW THAT WOULD PROHIBIT THE RETAIL SALE OF CERTAIN FLAVORED TOBACCO PRODUCTS.

OFFICIAL TITLE AND SUMMARY

PREPARED BY THE ATTORNEY GENERAL

The text of this measure can be found on page 121 and the Secretary of State's website at voterguide.sos.ca.gov.

A "Yes" vote approves (and allows to take effect) a law enacted by the State Legislature in 2020 that:

- Prohibits the retail sale of certain flavored tobacco products (including, but not limited to, cigarettes, e-cigarettes, chewing tobacco, and snuff) and tobacco flavor enhancers.
- Excludes from prohibition certain premium handmade cigars, loose leaf tobacco (not intended for making cigarettes), and shisha tobacco products (if sold by a hookah tobacco retailer meeting specified conditions).

A "No" vote rejects the law and prevents it from taking effect.

SUMMARY OF LEGISLATIVE ANALYST'S ESTIMATE OF NET STATE AND LOCAL GOVERNMENT FISCAL IMPACT:

- Decreased state tobacco tax revenues ranging from tens of millions of dollars annually to around \$100 million annually.

ANALYSIS BY THE LEGISLATIVE ANALYST

BACKGROUND

TOBACCO PRODUCTS

People use different types of tobacco products, including:

- **Cigarettes.** Smoking cigarettes is a common way to use tobacco. Aside from the naturally occurring tobacco flavor, cigarettes may be menthol flavored.
- **Electronic Nicotine Delivery Systems (ENDS).** These battery-operated devices (such as e-cigarettes, e-cigars, vapes, vape pens, cartridges, tanks, and mods) turn special liquid, which contains nicotine, into an aerosol. The user inhales the aerosol. The liquids might contain nontobacco flavors, such as fruit or mint flavors. Users also can add flavors separately.

- **Other Tobacco Products.** Other tobacco products can be used by smoking, inhaling, chewing, or other ways. These products include cigars, chewing tobacco, loose leaf tobacco, shisha tobacco (typically used in hookahs, a type of waterpipe), smokeless tobacco, heated tobacco, and nicotine pouches. Similar to ENDS, these products might have nontobacco flavors.

TOBACCO USE IN CALIFORNIA

According to survey data, around 10 percent of adults and youth in California use tobacco products. Surveys suggest that adults are much more likely than youth to smoke cigarettes regularly, while youth are more likely than adults to use ENDS products regularly. Among cigarette smokers, surveys suggest

ANALYSIS BY THE LEGISLATIVE ANALYST

CONTINUED

that about 20 percent of adults and about 50 percent of youth use menthol cigarettes. Surveys suggest that most ENDS users (both adults and youth) use flavored products.

REGULATION OF TOBACCO

Tobacco use and secondhand smoke increase the risk of many health problems, such as cancer, heart disease, stroke, respiratory diseases, and complications during pregnancy. The federal, state, and local governments have implemented various laws and regulations aimed at protecting the public from the harmful health effects of tobacco.

Federal Government Regulates Tobacco Products. Federal law approved in 2009 gives the federal Food and Drug Administration (FDA) authority to regulate the manufacture, marketing, sale, and distribution of tobacco products. Federal law also requires the FDA to review and authorize new tobacco products, such as ENDS, before they can be sold legally. Federal regulations specifically affecting flavored tobacco products include:

- **Federal Law Banned Cigarettes With Flavors, Except Menthol.** Federal law banned cigarettes with nontobacco flavors, except menthol, beginning in 2009.
- **FDA Recently Proposed Rules Banning Menthol From Cigarettes.** In April 2022, the FDA proposed (1) banning menthol-flavored cigarettes and (2) banning all nontobacco flavored cigars. The FDA now is deciding whether to finalize these bans.

- **FDA Continues to Review Applications to Sell New Tobacco Products Legally.**

As of June 2022, the FDA had authorized 42 new tobacco products—23 ENDS products (tobacco flavored or unflavored) and 19 other tobacco products (menthol, mint, or wintergreen flavored or unflavored). It has denied more than 1 million nontobacco-flavored ENDS products.

- **FDA Has Taken Some Steps to Limit Access to ENDS Products.** In 2020, the FDA began stepping up enforcement against certain unauthorized ENDS products, including ENDS products targeted toward youth.

State and Local Governments Can Have Additional Rules for Tobacco. While they cannot change product standards, state and local governments can have additional, stricter rules for tobacco. For example, California raised the minimum age for buying tobacco from 18 to 21 in 2016, a few years before the federal government did so nationwide in 2019.

Many Local Governments Have Banned Certain Sales of Flavored Tobacco Products.

Around one-third of Californians live in areas with rules banning certain sales of flavored tobacco products. Most of these local policies include a ban on the sale of menthol cigarettes.

STATE TOBACCO TAX REVENUES

State Tobacco Tax Revenues Fund a Variety of Programs. California charges tobacco taxes on cigarettes, ENDS, and other tobacco products. Last year, the state's tobacco taxes raised about \$2 billion.

ANALYSIS BY THE LEGISLATIVE ANALYST

CONTINUED

Figure 1

Program Areas Funded by State Tobacco Tax Revenues

Program Area	Share of Revenue Last Year
Health care	56%
Early childhood programs	21
Tobacco control	12
Medical research	4
Other	7

Previous ballot propositions approved by the voters direct most of these revenues to specific programs. Figure 1 lists the main program areas funded by these revenues.

As shown in the figure, most state tobacco tax revenue goes to health care programs. For example, tobacco taxes are one of many funding sources for the Medi-Cal program. (The federal-state Medicaid program, known as Medi-Cal in California, provides health coverage to eligible low-income California residents.) Tobacco taxes also fund tobacco control efforts, such as preventing tobacco sales to youth.

RECENT EFFORT TO BAN FLAVORED TOBACCO

In 2020, the Legislature passed and the Governor signed a law—Senate Bill (SB) 793—to ban in-person stores and vending machines from selling most flavored tobacco products and tobacco product flavor enhancers. This law did not go into effect because a referendum on the law qualified for this ballot. When a referendum on a new state law qualifies for the ballot, the law is on hold until voters decide whether to put it into effect.

PROPOSAL

Proposition 31 is a referendum on SB 793 of 2020.

WHAT A “YES” AND “NO” VOTE MEAN

A “yes” vote on this referendum means that SB 793 goes into effect. A “no” vote means that SB 793 does not go into effect. SB 793 is described in more detail below.

MAIN PROVISIONS OF PROPOSITION 31 (SB 793)

Bans Most Sales of Flavored Tobacco Products and Tobacco Product Flavor Enhancers. Proposition 31 (SB 793) prohibits in-person stores and vending machines from selling most flavored tobacco products or tobacco product flavor enhancers. The proposition does not ban shisha (hookah) tobacco sold and used at the store, certain cigars, or loose-leaf tobacco.

Defines Flavored Tobacco Products. Proposition 31 defines flavored tobacco products as those that have a flavor, apart from the regular tobacco flavor. For example, the flavor could include fruit, mint, menthol, honey, chocolate, or vanilla. The proposition defines a tobacco product flavor enhancer as a product that creates a flavor when added to a tobacco product.

Charges a \$250 Penalty for Each Violation. Proposition 31 charges a \$250 penalty against stores and vending machine owners for each violation of the requirements described previously.

ANALYSIS BY THE LEGISLATIVE ANALYST

CONTINUED

FISCAL EFFECTS

Lower Tobacco Tax Revenues.

Proposition 31 likely would reduce state tobacco tax revenues by an amount ranging from tens of millions of dollars to around \$100 million annually. (Last year, state tobacco tax revenue was about \$2 billion.) This revenue loss would reduce funding for the types of programs listed in Figure 1, such as health care.

The size of this revenue loss depends largely on how consumers respond to the proposition. Some responses—such as consumers switching from flavored to unflavored products—could have very little effect on tobacco tax revenues. Some other responses—such as consumers stopping tobacco use entirely—would reduce tobacco tax revenues. If this second type of response is very common, then the revenue loss could be around \$100 million annually. If it is less common, then the revenue loss could be in the low tens of millions of dollars annually. How consumers would respond to the proposition is uncertain, leading to a range of likely revenue losses. (As noted previously, the FDA has proposed banning menthol cigarettes and flavored cigars. If the FDA finalizes its ban, then the revenue loss due to the proposition would be smaller.)

Uncertain Changes in State and Local Government Health Care Costs.

State and local governments pay for health care for their employees and for qualifying low-income people. Proposition 31 likely would reduce tobacco use, leading to better health. In the short term, better health likely would reduce some health care costs for state and local governments. The amount of savings is uncertain. Over time, better health could lengthen some people's lives, which could increase health care costs. Given that the proposition could result in both health care savings and increased health care costs for state and local governments over time, the resulting long-term net change in state and local government health care costs is uncertain.

Visit <https://www.sos.ca.gov/campaign-lobbying/cal-access-resources/measure-contributions/2022-ballot-measure-contribution-totals> for a list of committees primarily formed to support or oppose this measure.

Visit <https://www.fppc.ca.gov/transparency/top-contributors.html> to access the committee's top 10 contributors.

★ ARGUMENT IN FAVOR OF PROPOSITION 31 ★

YES ON 31. The American Cancer Society Cancer Action Network, American Lung Association in California and the American Heart Association support Yes on 31 because it will save lives.

Yes on 31 protects kids by ending the sale of candy-flavored tobacco products, including e-cigarettes and minty-menthol cigarettes. Big Tobacco uses candy-flavored products to target kids—including cotton candy, chocolate, strawberry, and minty-menthol—and lure them into a lifelong addiction to nicotine.

In fact, 4 out of 5 kids who have used tobacco started with a flavored product.

Get the facts at VoteYesOn31.com

YES ON 31 PROTECTS KIDS FROM GETTING HOOKED ON HIGHLY ADDICTIVE NICOTINE

Tobacco companies use candy flavors to hide strong hits of nicotine, a highly addictive drug that is especially dangerous for kids, harming brain development and impacting their attention, mood, and impulse control. With a Yes on 31 vote, we can stop Big Tobacco from using flavors to get kids hooked on nicotine and profiting from addiction, disease, and death.

- In California, almost all high school e-cigarette users prefer flavored products.
- Today—over 2 million middle and high school students nationwide use e-cigarettes.

The American Lung Association in California says, “Using candy flavors to trick kids into trying nicotine is the cornerstone of Big Tobacco’s deadly business model. Yes on 31 will save lives—protecting kids from ever getting hooked on tobacco in the first place.”

YES ON 31 SAVES LIVES AND TAXPAYER MONEY

Tobacco is the #1 preventable cause of death in California, where tobacco-related diseases kill 40,000 people each year. Smoking kills more people than alcohol,

AIDS, car accidents, illegal drugs, murders, and suicides combined. Of all the kids who become new smokers each year, almost a third will ultimately die from it.

Every time Big Tobacco addicts another generation of kids, they put taxpayers, whether they smoke or not, on the hook for billions of dollars in tobacco-related healthcare costs.

YES ON 31 PREVENTS BIG TOBACCO FROM CAUSING MORE HARM TO BLACK COMMUNITIES

Big Tobacco preys on Black neighborhoods, spending billions to lobby, advertise and market minty-menthol cigarettes—the original candy-flavored cigarette. In the 1950s, fewer than 10% of Black Americans who smoked used minty-menthols. Today, 85% do.

The NAACP says, “Tobacco companies use minty-menthol to mask the harsh taste of tobacco, which makes smoking easier to start and harder to quit. After targeting African Americans for decades, Big Tobacco is turning an enormous profit—while rates of tobacco-related heart disease, stroke and cancer skyrocket. Yes on 31 will take Big Tobacco’s candy-flavored tools of addiction out of our communities, saving lives and improving public health.”

PROTECT KIDS. VOTE YES ON 31

Yes on 31 will protect kids from ever trying tobacco and help users quit—saving hundreds of millions of taxpayer dollars annually, and saving countless lives. If we can save even a few lives by ending the sale of candy-flavored tobacco, it will be worth it.

Karmi Ferguson, Executive Director
American Academy of Pediatrics, California

Kathy Rogers, Executive Vice President
American Heart Association

Jose Ramos, National Board Member
American Cancer Society Cancer Action Network

★ REBUTTAL TO ARGUMENT IN FAVOR OF PROPOSITION 31 ★

31

PROP. 31 IS PROHIBITION and PROHIBITION NEVER WORKS

We can all agree kids should not use tobacco. That’s why it’s already illegal in California to sell tobacco—including vapes—to anyone younger than 21 years old.

Prop. 31 is adult prohibition, and prohibition has never worked—it didn’t work with alcohol or marijuana, and it won’t work now.

PROP. 31 WILL MAKE THINGS WORSE

The proponents claim Prop. 31 will reduce youth tobacco use, but experience shows it could backfire. When San Francisco passed a similar flavor ban after promising big reductions in youth tobacco use, a Yale University study found there was a significant INCREASE in cigarette smoking among high school students.

PROP. 31 WILL LEAD TO MORE CRIME

Research shows nearly half the cigarettes smoked in California are from illegal sources. Prop. 31 will increase illegal smuggling and counterfeit markets and force even more tobacco sales into underground markets controlled by organized criminal gangs. Prop. 31 will drive up

crime—especially in minority communities where menthol is preferred.

PROP. 31 WILL REDUCE TAX REVENUE AND CUT ESSENTIAL SERVICES

Prop. 31 will reduce state tax revenue by \$1 billion over the next four years—cutting funds for healthcare, education, seniors, and law enforcement.

PUBLIC EDUCATION IS BETTER THAN PROP. 31

Current laws and public education campaigns are working. Youth vaping is down 59% in the last three years, and youth smoking is at an all-time low of just 1.9%, according to the Centers for Disease Control & Prevention and the FDA.

Prohibition has never worked. Let’s not make the same mistake again.

NO ON PROP. 31

Yasha Nikitin, California Police Officer

Clint Olivier, Chief Executive Officer
Central Valley Business Federation

Pat Fong Kushida, President
CalAsian Chamber of Commerce

★ ARGUMENT AGAINST PROPOSITION 31 ★

The politicians who wrote Proposition 31 say it will reduce underage tobacco use—but it's already illegal to sell any tobacco product to anyone under the age of 21 in California, with big penalties for breaking the law.

PROP. 31 IS ADULT PROHIBITION

Prop. 31 enacts a sweeping new ban on menthol cigarettes, flavored smokeless tobacco, and other flavored non-tobacco nicotine products for adults over the age of 21. Prohibition has never worked—it didn't work with alcohol or marijuana, and it won't work now.

And Prop. 31's prohibition will impact minority neighborhoods more than any other, criminalizing the sale of menthol cigarettes which are primarily the choice of adult tobacco consumers in these communities.

PROP. 31 WILL INCREASE CRIME

Almost half of all cigarettes in California are sold in the underground market, smuggled in from other states or countries like China and Mexico. Prop. 31 will drive even more sales underground from licensed neighborhood retailers to gangs and organized crime. What's worse, Proposition 31 does not add a single penny to law enforcement to fight the violent crime that will follow.

"Proposition 31 is practically unenforceable. It will put criminals in charge and convert a highly regulated tobacco market into an unregulated criminal market, creating unnecessary and potentially dangerous police interactions."—Edgar Hampton, Retired California Police Officer

PROP. 31 WILL COST TAXPAYERS

A legislative analysis found that Prop. 31 will lead to "significant revenue losses" that will exceed \$1 billion in the next four years. That means less money for healthcare, education, programs for seniors and law enforcement.

PROP. 31 BANS FDA AUTHORIZED REDUCED HARM PRODUCTS AND COULD INCREASE CIGARETTE USE AMONG YOUNG PEOPLE

The Food and Drug Administration (FDA) now has regulatory authority over tobacco and vapor products and already has banned many flavored tobacco products, but Prop. 31 goes too far—banning the sale of flavored reduced-risk, smoke-free products authorized by the FDA "appropriate for the protection of public health" for adults 21 and over.

When adult consumers are denied access to potentially less harmful products authorized by the FDA, they continue with traditional cigarettes that produce second-hand smoke. San Francisco's flavor ban is a perfect example of the impact on youth as well: a Yale University study found there was a significant INCREASE in cigarette smoking among high school students—the exact opposite result the politicians promised.

PUBLIC EDUCATION IS BETTER THAN PROP. 31

California led the nation in raising the age to purchase tobacco to 21, has among the toughest anti-tobacco laws in the country, and spends over \$140 million a year to help people quit tobacco and stop kids from starting.

The results are clear: Youth vaping is down 59% in the last three years, and youth smoking is at an all-time low of just 1.9% according to the Centers for Disease Control and Prevention and the Food and Drug Administration. California should not abandon what is clearly working and replace it with a failed policy of the past—prohibition—that will increase crime, cost taxpayers, and backfire on the communities we are trying to protect.

Please join us and vote NO on Prop. 31.

Michael Genest, Former Director
California Department of Finance

Julian Canete, President
California Hispanic Chambers of Commerce

Tom Hudson, President
California Taxpayer Protection Committee

★ REBUTTAL TO ARGUMENT AGAINST PROPOSITION 31 ★

VOTE YES ON 31: PROTECT KIDS FROM BIG TOBACCO.

Every word you just read from the "no" campaign was paid for and written by Big Tobacco. Don't fall for Big Tobacco's lies.

Tobacco companies used candy flavors to trick millions of kids into trying addictive nicotine, creating the youth e-cigarette epidemic. Now, Big Tobacco wants to trick California voters into voting no.

Yes on 31 is an effective policy that is proven to reduce use by kids by taking candy-flavored tobacco off store shelves.

Big Tobacco doesn't care about your "freedoms." Big Tobacco only cares about getting the next generation hooked on nicotine. Using candy flavors to lure kids into becoming lifelong customers is how tobacco companies make big profits while causing addiction, disease, and death.

That's why the American Lung Association, American Heart Association, the American Cancer Society Cancer Action Network, teachers, school nurses, and pediatricians

are asking you to vote Yes on 31. Big Tobacco is spending millions to fool you into voting no.

YES on 31 protects minority communities from Big Tobacco's predatory marketing. Big Tobacco preys on Black neighborhoods, spending billions to lobby, advertise and market minty-menthol cigarettes—the original candy flavor—to Black youth. In the 1950's, fewer than 10% of Black Americans who smoked used menthols. Today, that number has skyrocketed to 85%.

Don't believe Big Tobacco's lies. Get the facts at VoteYesOn31.com

VOTE YES ON 31.

Rick L. Callender, President
California Hawaii State Conference NAACP

Robert E. Wailes, M.D., President
California Medical Association

Sheri Coburn, Executive Director
California School Nurses Organization

Information About Candidate Statements

This voter guide includes candidate statements from United States Senate and statewide constitutional office candidates which begins on page 52 of this guide.

U.S. Senate

The office of U.S. Senate will have TWO separate contests on the November 8, 2022, General Election ballot. You may vote on both.

The first contest is the regular election for the full 6-year term of office beginning on January 3, 2023 (full term).

The second contest is a special vacancy election, since the current officeholder is temporarily filling a vacancy, for the remainder of the term ending on January 3, 2023 (partial/unexpired term).

U.S. Senate candidates can buy space for their candidate statement in this voter guide. Some candidates, however, choose not to buy space for a statement.

U.S. Senate (Full Term)

Mark P. Meuser	Republican
Alex Padilla	Democratic

U.S. Senate (Partial/Unexpired Term)

Mark P. Meuser	Republican
Alex Padilla	Democratic

Statewide Constitutional Offices

California law includes voluntary spending limits for candidates running for state office who choose to keep their campaign expenses under specified dollar amounts. Statewide constitutional office candidates may buy space for a candidate statement (up to 250 words) in this voter guide.

Voluntary spending limits for the following offices for the November 8, 2022, General Election are:

- Governor—\$16,212,000
- Lieutenant Governor, Secretary of State, Controller, Treasurer, Attorney General, Insurance Commissioner, and Superintendent of Public Instruction—\$9,728,000
- Member of the Board of Equalization—\$2,432,000

In the following candidate lists, an asterisk (*) designates a statewide constitutional office candidate who accepted California’s voluntary campaign spending limits and therefore has the option to buy space for a candidate statement in this voter guide. Candidates who did not accept the voluntary campaign spending limits are not eligible to buy space for a candidate statement.

In addition, some candidates who did accept the voluntary campaign spending limits may choose not to buy space for a candidate statement.

Governor

Brian Dahle*	Republican
Gavin Newsom	Democratic

Lieutenant Governor

Eleni Kounalakis*	Democratic
Angela E. Underwood Jacobs	Republican

Secretary of State

Rob Bernosky*	Republican
Shirley N. Weber*	Democratic

Controller

Lanhee J. Chen*	Republican
Malia M. Cohen*	Democratic

Treasurer

Jack M. Guerrero*	Republican
Fiona Ma*	Democratic

Attorney General

Rob Bonta*	Democratic
Nathan Hochman*	Republican

Insurance Commissioner

Robert Howell*	Republican
Ricardo Lara*	Democratic

Superintendent of Public Instruction

Lance Ray Christensen*	Nonpartisan
Tony K. Thurmond*	Nonpartisan

Board of Equalization District 1

Jose S. Altamirano*	Democratic
Ted Gaines*	Republican

Board of Equalization District 2

Sally J. Lieber*	Democratic
Peter Coe Verbica*	Republican

Board of Equalization District 3

Y. Marie Manvel	No Party Preference
Tony Vazquez	Democratic

Board of Equalization District 4

David Dodson*	Democratic
Mike Schaefer*	Democratic

For purposes of this guide, candidates listed as having “No Party Preference” either selected that choice or did not make any selection when registering to vote.

CANDIDATE STATEMENTS

UNITED STATES SENATE—FULL TERM

- Serves as one of the two Senators who represent California's interests in the United States Congress.
 - Proposes and votes on new national laws.
 - Votes on confirming federal judges, U.S. Supreme Court Justices, and many high-level presidential appointments to civilian and military positions.
 - Will serve the 6-year term of office beginning on January 3, 2023.
-



Mark P. Meuser | REPUBLICAN

In politics, talk is cheap, but actions speak louder than words. As an attorney, I have been on the front lines fighting to maintain our constitutional rights. When the Governor shut down places of worship, I fought for our First Amendment religious rights. When he shut down schools, I fought for our children's education. When the President tried to force businesses to vaccinate employees, I fought for our medical freedom. As your Senator, I will take my fight for your constitutional rights from the courthouse to the Capitol. Unelected bureaucrats in Washington, D.C. should not have more say over your life than you do. I will fight to give you more local control over your child's education. Crime is on the rise and people are not safe in our cities. When politicians refuse to enforce laws, it emboldens criminals. I will fight to ensure that our streets are safe. We need to balance our budget and end

runaway inflation. We must stop politicians from telling us who is essential and who is not. I will fight for your right to make a living. Those who enabled the Covid-19 pandemic and resulting crippling lockdowns must be held accountable. *My only special interest group is you.* I will always fight to protect our children, our neighborhoods, and our way of life.

9070 Irvine Center Drive #150, Irvine, CA 92618 | Tel: (209) 763-8737 | E-mail: contact@markmeuser.com
www.markmeuser.com | Facebook: <https://www.facebook.com/markpmeuser> | Twitter: <https://twitter.com/MarkMeuser>



Alex Padilla | DEMOCRATIC

As California and our country faced unprecedented challenges—from our COVID-19 recovery to a worsening climate crisis and escalating attacks on our democracy—I arrived at the U.S. Senate ready to take action. I've worked hard to deliver bold climate action from day one. I was proud to help restore California's climate leadership by reinstating our tough clean air standards, which had been canceled by Trump. I've secured critical infrastructure funding for clean air and clean drinking water. As rising temperatures threaten millions of Californians—I secured billions more to help us prepare for extreme weather events through investments that will prevent black-outs, fight wildfires, and strengthen our electric grid. With escalating attacks on our democracy, I've fought tirelessly to protect our voting rights, leading the national fight for federal voting rights reform and demanding accountability from those who seek to undermine our democracy.

777 S. Figueroa Street, Suite 4050, Los Angeles, CA 90017 | E-mail: info@alex-padilla.com | alex-padilla.com
Facebook: <https://www.facebook.com/alexpadilla4ca> | Twitter: [@AlexPadilla4CA](https://twitter.com/AlexPadilla4CA) | Instagram: [@alexpadilla4ca](https://www.instagram.com/alexpadilla4ca)

The order of the statements was determined by randomized drawing. Statements on this page were supplied by the candidates and have not been checked for accuracy by any official agency. The views and opinions expressed by the candidates are their own and do not necessarily represent the views and opinions of the Secretary of State's office. Each statement was voluntarily submitted and paid for by the candidate. Candidates who did not submit statements could otherwise be qualified to appear on the ballot.

CANDIDATE STATEMENTS

UNITED STATES SENATE—PARTIAL/UNEXPIRED TERM

- Serves as one of the two Senators who represent California's interests in the United States Congress.
- Proposes and votes on new national laws.
- Votes on confirming federal judges, U.S. Supreme Court Justices, and many high-level presidential appointments to civilian and military positions.
- Will serve the remainder of the current term ending on January 3, 2023.



Mark P. Meuser | REPUBLICAN

I would be honored if you would vote for me for both the full term and the partial term for U.S. Senate. Vote for me if you want someone who fights for you rather than special interest. It is time for the politicians to put the people first. I will fight out of control federal spending to rein in inflation. I will fight for American energy independence to lower gas prices. I will fight pro-criminal politicians to make our streets safe again. *My only special interest group is you.*

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Alex Padilla | DEMOCRATIC

I am a proud son of immigrants, a proud son of California, and I am honored to be the first Latino to represent our state in the U.S. Senate. I was born and raised in the proud working-class community of Pacoima. For decades, my father worked as a short-order cook, and my mother cleaned houses. I understand the struggles of working families because I've lived them. I'm fighting in the U.S. Senate to secure a better future for all Californians—from protecting our environment to guaranteeing that the American Dream remains within reach with affordable, quality education, housing, and healthcare. As I work to deliver for Californians, I will continue to champion our values in the Senate, especially as they come under unprecedented attacks. As the Supreme Court unravels reproductive rights, I will fight for protections at the national level to defend safe access to abortion and contraceptive services.

And as our children and families continue to live under the threat of gun violence—I will continue to fight for national gun safety reforms that make our communities safer. With voting rights and democracy under assault across the country, I will continue to champion the reforms that made California elections the most inclusive in the nation—reforms which I implemented as California Secretary of State. I'm ready to continue fighting for the people of California and for the future of our democracy. I respectfully ask for your support.

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CANDIDATE STATEMENTS

GOVERNOR

- As the state's chief executive officer, oversees most state departments and agencies, and appoints judges.
 - Proposes new laws, approves or vetoes legislation, and submits the annual state budget to the Legislature.
 - Mobilizes and directs state resources during emergencies.
-

Gavin Newsom | DEMOCRATIC

No candidate statement.



Brian Dahle | REPUBLICAN

Are you better off now than you were four years ago? Can you afford four more years of the highest energy rates and highest gas prices in the nation? The high cost of gas and food hurts us all. California doesn't need to be in a constant state of crisis. Failed political leadership is destroying California and hurting California families. It's time for change. That's why I support suspending the state's 54 cents per gallon gas tax which would save the average family over \$1500 a year. The state has spent billions on the homeless, but the homelessness crisis is worse than ever. We need to focus our resources on getting people off the streets and the help they need. Making California neighborhoods safer is critical. That's why I will reverse failed policies that released thousands of violent repeat offenders from prison and fix broken laws that let criminals steal without being held accountable. California is heading in the wrong

direction. The next generation is counting on us to turn it around. I'm a business owner, State Senator, and farmer who will work with Democrats, Independents, and Republicans to build a better tomorrow. There is hope for California, let's bring back the California dream. Can I count on your vote? www.briandahle.com

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CANDIDATE STATEMENTS

LIEUTENANT GOVERNOR

- Assumes the office and duties of Governor in the case of impeachment, death, resignation, removal from office, or absence from the state.
 - Serves as president of the State Senate and has a tie-breaking vote.
 - Chairs the Commission for Economic Development; is a member of the State Lands Commission, and the Ocean Protection Council; and sits on the boards of the California university systems.
-



Eleni Kounalakis | DEMOCRATIC

I have been honored and humbled to serve as your Lieutenant Governor as we work together to make our way through these difficult times. As Lieutenant Governor, I am a member of all three governing boards for California's public colleges and universities. I have *fought tuition increases* and *supported initiatives to increase access to college* so future generations have a chance to achieve the California Dream. To address our housing shortage, our boards have *approved more than 30,000 new beds* on our public university campuses. As our state faces historic wildfires and droughts, I was proud to lead California's delegation to the United Nations Climate Change Conference to showcase our state's innovation and press the world to aggressively combat the devastating impacts of climate change.

As Chair of the State Lands Commission, I *oversaw closures of oil wells off the coast of California* and helped *ensure no new offshore oil development*. While women's rights are under attack across the country, I fought for new laws in California to *protect women from sexual assault* and *expand access to reproductive choice*. As California's economic ambassador, I'm focused on *creating good-paying jobs* for Californians. That's why I led delegations to Mexico, India, and Armenia to focus on environmental cooperation and economic development. I am proud of our work thus far, but we have much more left to do. I would be honored to have your support and vote.

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Angela E. Underwood Jacobs | REPUBLICAN

No candidate statement.

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CANDIDATE STATEMENTS

SECRETARY OF STATE

- As the state's chief elections officer, oversees statewide elections and provides public access to campaign and lobbying financial information.
 - Maintains certain business filings, authenticates trademarks, regulates notaries public, and enables secured creditors to protect their financial interests.
 - Preserves California's history by acquiring, safeguarding, and sharing the state's historical treasures.
-



Rob Bernosky | REPUBLICAN

*I will focus on the responsibilities of the office of Secretary of State and have no other agenda. Making it easier to elect leaders to **fight high gas and food prices, have high-quality and safe schools, put criminals behind bars, and make our cities beautiful again** is what I will do. Making California more friendly to businesses and **creating high-paying jobs** is very important, and I will help do that. I am up to the task of making sure that our **voter eligibility lists do not contain errors** and that every vote is **counted correctly**. Voting for Robert Bernosky is a vote to restore California. My philosophy is: Shouldn't government provide us the means to have enough water, put criminals behind bars, have great schools, build good roads, and provide for our safety? Let's get people into office that will work for you, with no other agenda. **We can do this, together.***

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Facebook: [@votebernoskySoS](https://www.facebook.com/votebernoskySoS) | Twitter: [@votebernosky](https://twitter.com/votebernosky)



Shirley N. Weber | DEMOCRATIC

After being unanimously confirmed as Secretary of State in 2021 with bipartisan support, I oversaw a safe, secure, and seamless statewide election with record participation and worked to make universal voting-by-mail permanent. I've spent my career fighting for social and racial justice and expanding access to the ballot to every eligible Californian, bringing nearly 50 years of experience as a professor, advocate, and lawmaker to the job of running our state's elections. If elected, I will (1) upgrade our cybersecurity policies to ensure our elections are protected from attempts to undermine our democratic process, (2) improve transparency in our elections, lobbyist registration, and campaign finance systems, (3) strengthen and extend the successful reforms that led to record voter turnout in 2020 and 2021, and (4) continue to solidify California's reputation as a national leader on expanding voting rights. My parents were denied the right to vote in the Jim Crow South where I was born, and came to California in search of a better life. They inspired my respect for and commitment to democracy from a young age, including running a polling place from our living room in South Los Angeles. The fight to protect the right to vote and expand access to the ballot is personal to me. I won't back down and I won't let you down. Vote Dr. Shirley N. Weber for Secretary of State. Visit www.DrShirleyWeber.com to learn more.

drshirleyweber.com | Facebook: [facebook.com/ShirleyWeber4SOS](https://www.facebook.com/ShirleyWeber4SOS) | Twitter: <https://twitter.com/drweber4ca>

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CANDIDATE STATEMENTS

CONTROLLER

- As the state's chief fiscal officer, serves as the state's accountant and bookkeeper of all public funds.
- Administers the state payroll system and unclaimed property laws and conducts audits and reviews of state operations.
- Serves on the Board of Equalization, the Board of Control, and other boards and commissions.



Lanhee J. Chen | REPUBLICAN

The State Controller should be California's independent fiscal watchdog, who makes sure our money is spent wisely. But time and again, the Sacramento insiders have failed us. We are wasting billions every year. For example, at the start of the pandemic, California handed out over \$20 billion in fraudulent unemployment benefits. That amount could have paid every Californian's state gas taxes for over two years, or for the salaries of 236,000 new teachers! I'm running for Controller to fight for taxpayers. I have a specific plan to deliver transparency and demand accountability for every dollar our state spends. I've been endorsed by over a dozen newspapers across California, including the *Los Angeles Times*, which called me "the best choice for this position" because I am "a sharp thinker with experience analyzing large financial systems and because the controller should be as

independent from the party in power as possible." I'm not a career politician, but have started a business, advised policymakers, and taught at Stanford University. I served presidents from both parties, working to save Social Security and make healthcare more affordable. I grew up in Southern California as the son of immigrants, attended my local public high school, and went on to earn four degrees from Harvard, including my Ph.D. My wife, kids and I now live in the Bay Area. Sacramento can't keep wasting so much of our hard-earned money. We need to spend smarter. I'll make sure we do.

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YouTube: [youtube.com/chenforcontroller2022](https://www.youtube.com/chenforcontroller2022)



Malia M. Cohen | DEMOCRATIC

California should be a place where everyone can find a good job and affordable housing. Your next State Controller will oversee essential spending to solve challenges like homelessness and the rising cost of living—we need someone with both the experience and values to do the job. *I've dedicated my career to public service, focused on making our tax dollars work for all of us.* As Chair of the State Board of Equalization, I serve as a watchdog over \$80 billion in state finances, work to provide tax relief for Californians reeling from the pandemic, and hold corporations accountable for paying their fair share. *I've cut wasteful spending* and launched a Property Tax Modernization Initiative to ensure that the state administers property taxes more efficiently and fairly. On the San Francisco Board of Supervisors, *I led efforts to divest the city's pension fund from fossil fuels*, oversaw the adoption of an

\$11 billion budget, and *fought to increase the minimum wage*. Our campaign is supported by leaders and working people throughout California, from *State Controller Betty Yee and the California Democratic Party to Nurses, Teachers, Firefighters and the Planned Parenthood Action Fund*. When elected, I'll be among the state's first working moms to serve as CFO, an important experience as California faces child care shortages among working parents. As Controller, I will ensure our tax dollars address the homelessness crisis, protect our environment, and provide access to healthcare and reproductive freedom. *Let's build a California where everyone thrives.* www.MaliaCohen.us

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CANDIDATE STATEMENTS

TREASURER

- As the state's banker, manages the state's investments, and administers the sale of state bonds and notes.
- Serves on several commissions, most of which are related to the marketing of bonds.
- Pays out state funds when spent by the Controller and other state agencies.



Fiona Ma | DEMOCRATIC

I'm running for re-election as State Treasurer because California's economic strength requires a proven problem solver with a track record of getting things done. I'll continue to fight for people across our great state by investing in housing, schools, hospitals, infrastructure, first responders, environmental protection, green energy and transportation. During my first term, we refinanced state bonds to save taxpayers more than \$5 billion over the next 20 years. Legislators from both parties have praised our oversight of COVID-19 funds, which prevented hundreds of millions of dollars in potential fraud and abuse. Last year we processed \$3.2 trillion in banking transactions and oversaw a record budget surplus of \$85 billion that went to create new jobs by funding innovative projects. We approved more affordable housing units than ever in our state's history and increased our first-time homebuyer program for families and veterans. We helped more Californians save for college/apprenticeship programs and retirement. This year, we will launch CalKIDS to help our children thrive by increasing access to higher education. I have been a Certified Public Accountant since 1992 and hold a B.S. in Accounting, M.S. in Taxation and an MBA in Finance. I have the financial knowledge and experience to ensure California remains an economic powerhouse while moving toward a more sustainable and affordable future for all residents across the state. I will continue to safeguard our tax dollars, invest wisely, and make sure government works with accountability and transparency. I would be honored to earn your vote. Thank you.

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Jack M. Guerrero | REPUBLICAN

Are you happy with \$7 gas, record inflation, excessive taxation, and deteriorating quality of life? California's financial crisis is the consequence of severe mismanagement and poor leadership by reckless politicians. They do not care about California's horrible credit rating, unfunded pension liabilities in excess of \$1 trillion, record-high interest payments, and fake budget "surpluses." Instead, they impose excessive taxes, crippling fees, and government-fueled inflation. *Had enough?* My name is Jack Guerrero and I can help remediate the state's financial predicament. I am the son of hard-working Mexican Catholic immigrant parents who instilled strong Family Values and the humility to serve others with integrity. As my 83-year-old father says: *"¡Ya basta! Necesitamos un gobierno honesto, justo, y transparente."* I bring a successful track record as Mayor, Councilmember, Certified Public Accountant, Stanford economics graduate, Harvard MBA, Treasury professional, and advisor to Fortune 500 companies. In my early career, I audited federal agencies and municipalities as government accounting expert *to quickly and efficiently detect financial mismanagement!* As Mayor of my hometown city (Los Angeles County), I balanced the budget, reduced taxes, held public schools accountable, and worked with the California Controller to expose millions of dollars in wasteful and unlawful spending. I am proud of this record of achievement as the only Republican elected official in a region that is 98% Hispanic and overwhelmingly Democrat. Help me bring the same discipline to Sacramento, because hard-working Californians cannot afford four more years of failed policies.

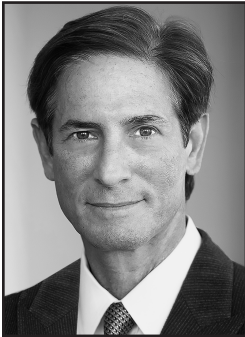
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CANDIDATE STATEMENTS

ATTORNEY GENERAL

- As the state's chief law officer, ensures that state laws are enforced and investigates fraudulent or illegal activities.
- Heads the Department of Justice, which provides state government legal services and represents the state in civil and criminal court cases.
- Oversees law enforcement agencies, including county district attorneys and sheriffs.

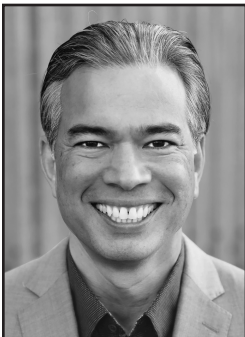


Nathan Hochman | REPUBLICAN

Do you feel more safe and secure today than you have in the past 2, 4, 6, or 8 years? I am running for California Attorney General because I believe the answer for *all Californians* is “No.” Only with new leadership can we hope to solve our state's toughest problems: rising crime threatening our families and communities, out-of-control homelessness, and a fentanyl and drug epidemic claiming more Californians' lives each day. My background, experience, independence, and common-sense policies will provide that new leadership and restore safety as a basic right of every Californian. After graduating from Stanford Law School and clerking for a federal judge, I began my career as a federal prosecutor—bringing justice to criminals such as corrupt government officials, narcotics traffickers, violent gang members, and environmental polluters. I later served as an Assistant Attorney

General of the United States Department of Justice, appointed by the President and unanimously confirmed by the U.S. Senate. Overseeing the Tax Division, I led a team of over 350 lawyers and successfully brought cases throughout the nation. In California, I continued to fight against corruption as President of the Los Angeles City Ethics Commission. In the private sector, I have earned a reputation as one of the nation's leading criminal justice attorneys, defending the constitutional rights of individuals against government overreach. I am grateful for the support of a bipartisan coalition of public safety leaders including Democrats like former Los Angeles County District Attorney Jackie Lacey and Independents like Sacramento County District Attorney Anne Marie Schubert. I would be honored to have your vote. Please contact me with questions at:

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Twitter: [@NathanHochmanAG](https://twitter.com/NathanHochmanAG) | Instagram: [@nathanhochmanforag](https://www.instagram.com/nathanhochmanforag)



Rob Bonta | DEMOCRATIC

As your Attorney General and chief law enforcement officer, I'm fighting to protect the rights, freedoms, and safety of all Californians. As the Supreme Court stripped away women's right to choose, my office is leading the nation in protecting abortion rights. Pro-choice groups like Planned Parenthood say re-electing me is one of the most important steps Californians can take to preserve reproductive freedom. Under my leadership, my office has successfully defended California's gun safety laws from being overturned. We have taken thousands of illegal guns off our streets and out of the hands of felons and domestic abusers. Both law enforcement organizations and victims' rights advocates have praised my office's actions to protect public safety and hold those who break the law accountable. I launched new special investigative teams to apprehend sex traffickers and take down criminal street gangs. I've secured

felony sentences in one of the largest organized retail theft busts in California history, and I supported increased funding for community policing programs, prosecutions of violent crimes, and crime prevention strategies like addiction and mental health treatment. At my direction, my office launched efforts to hold major polluters and pharmaceutical companies accountable for breaking California law. I'm proud to have the support of Planned Parenthood and California's nurses, teachers, firefighters, law enforcement leaders and gun safety advocates. My parents instilled in me that helping others is our highest calling. As your Attorney General, I have the privilege of serving California and would be honored to have your vote. www.robbona.com

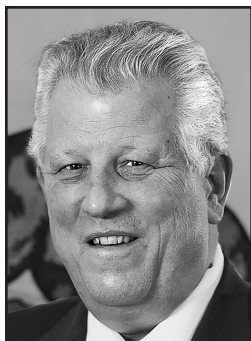
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Facebook: [@RobBonta.com](https://www.facebook.com/RobBonta.com) | Twitter: [@RobBonta.com](https://twitter.com/RobBonta.com) | Instagram: [@RobBonta.com](https://www.instagram.com/RobBonta.com)

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CANDIDATE STATEMENTS

INSURANCE COMMISSIONER

- Heads the Department of Insurance, which enforces California insurance laws and adopts regulations to implement the laws.
- Licenses, regulates, and examines insurance companies.
- Answers public questions and complaints about the insurance industry.

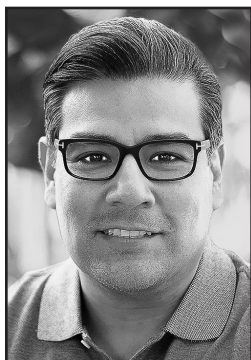


Robert Howell | REPUBLICAN

Californians deserve real insurance solutions and not more political double-talk. Robert Howell is a plain-spoken Independent Businessman that will represent “The People.” Voting for Robert Howell means equitable and fair treatment for all Californians. He will fight corruption and fix problems that raise our insurance rates. Robert Howell is *Not a Politician* desperately hanging onto a high-paying office. *He refuses to take insurance company money.* Robert Howell is strongly committed to helping the tens of thousands of California wildfire victims. Even more folks have experienced drastic price increases or had their homeowner insurance coverage abruptly cancelled without any reasonable explanation. Robert Howell will end these prejudicial “redlining” practices. More details can be found in the recent *ConsumerWatchdog.org* Investigative Report—“*Up in Smoke: How Insurance*

Companies and the Insurance Commissioner Burn Wildfire Victims.” Robert Howell owns & operates a successful electronics firm in the Silicon Valley. He employs dozens of good people, produces great American-Made products and enjoys an outstanding safety track-record. As a husband, father and grandfather, Robert Howell understands that we all have precious Families to protect. Hundreds of thousands of Californians have already fled our once Golden State due to inflation, high cost of housing, and \$6 per gallon gas prices. As our next Insurance Commissioner, Robert Howell will proudly serve as your personal watchdog, guarding against waste, fraud, and abusively inflated premiums. Vote for an Independent Leader that you can Trust! Robert Howell for Insurance Commissioner.

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Ricardo Lara | DEMOCRATIC

As your Insurance Commissioner, I am bringing years of on-the-job *experience* to solve some of California’s most pressing problems, from helping wildfire survivors to holding insurers *accountable*. And as reproductive rights are under attack nationally and in other states, I am more *committed* than ever to fighting for equality in health care choices here in California. *Experience:* I’ve personally met with thousands of people in dozens of counties impacted by wildfires to hear directly from survivors. As a result, I’m taking executive action to require insurance discounts for safer homes and sponsored legislation to streamline the process for survivors to receive benefits. My actions have preserved insurance for more than 4 million Californians while prioritizing climate protections. *Accountability:* During the worst of the pandemic, California drivers were paying full price for auto insurance even though they weren’t on the roads. That’s why I directed insurance companies to provide premium relief,

saving California drivers more than \$2 billion. *Commitment:* I have always been a champion for access to quality health care. As Insurance Commissioner, I’ve advocated for new, innovative ideas, like the Parent Healthcare Act to allow policyholders to include elderly parents on their health plans. I will always be on your side, fighting for equal rights for all, reproductive rights, a fairer insurance market and standing up for survivors of natural disasters. I’m proud to have the support of the California Professional Firefighters, consumer advocates, nurses and teachers. I humbly ask for your vote. www.RicardoLara.com

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CALIFORNIA BOARD OF EQUALIZATION DISTRICTS

Counties in Each Board of Equalization District



CANDIDATE STATEMENTS

BOARD OF EQUALIZATION

Serves on the Board of Equalization, the state's elected tax commission, which:

- Assesses the property of regulated railroads and specific public utilities, and assesses and collects the private railroad car tax.
 - Oversees the assessment practices of the state's 58 county assessors.
 - Assesses and collects the alcoholic beverage tax, and jointly administers the tax on insurers.
-

DISTRICT 1

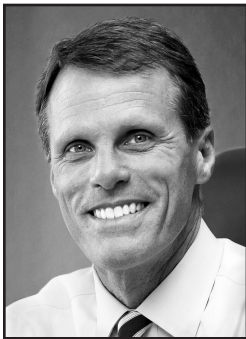


Jose S. Altamirano | DEMOCRATIC

I want to thank all of you who helped me get here. Now, I again humbly ask for your vote to represent you on the Board of Equalization. For 32 years, I have worked at the California State Compensation Insurance Fund, assisting business owners with their workers' compensation insurance needs, first as an Underwriting Manager, then as Assistant Program Manager, Interim VP of the Customer Service Center and most recently as the Business Services Operations Manager. Each of those roles has taught me the special nature of public service and public trust when your taxpayer dollars are involved. I have been involved in my community as a Commissioner with the City of West Sacramento, as the Chair of UC Davis Health Community Advisory Board and as a Board Member, Sacramento Cottage Housing Inc., a non-profit helping individuals and families transition from homelessness to self-sustainability. My

education has been an amazing journey. I am the proud product of the L.A. Unified School District. In 1994, I relocated to Northern California where I earned my AA/AS from Sierra College, my B.S. in Applied Economics from the University of San Francisco, and my MBA in Finance from Drexel University. My family and my life have instilled in me a personal code of ethics built on the qualities of being fair, equitable, and inclusive. As the first Latino to serve in the 1st District, and as a Democrat, I am ready to bring this same commitment and dedication to serving all taxpayers. I again ask for your support and your vote for Jose Altamirano, Board of Equalization, 1st District.

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Ted Gaines | REPUBLICAN

Why is California falling apart while the state is sitting on a \$97 billion budget surplus? It's because Sacramento politicians care too much about government and not enough about you. I don't measure California's success by the size of the state budget. I measure it by how our families are getting by and if our businesses are adding jobs. That's why I've spent my career as your taxpayer advocate, working to make your lives better and not growing government at your expense. As your watchdog at the Board of Equalization, I'll keep fighting, doing everything I can, to defeat new taxes and kill wasteful projects like High-Speed Rail. I'll defend Prop. 13, so your property taxes don't skyrocket, and seniors don't get taxed out of their homes. In fact, I earned a straight "A" record from Howard Jarvis Taxpayers Association every year in the legislature. I'll work to hold criminals accountable, for safer schools,

neighborhoods and businesses. I'll support effective homeless policies that clean up our streets and reclaim our public spaces. And from gasoline to housing to electricity, I'll strive to make California more affordable, so our citizens don't struggle to pay for life's necessities. I'm a fifth-generation Californian and small business owner with children and grandchildren building their lives here, too. I'm fully invested in a California future where we can prosper as so many of us did in our state's unrivaled past. Join me. Visit www.tedgaines.com

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TedGaines.com | Facebook: www.facebook.com/ted.gaines | Twitter: www.twitter.com/TedGaines
Instagram: www.instagram.com/TedGaines

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CANDIDATE STATEMENTS

BOARD OF EQUALIZATION

DISTRICT 2

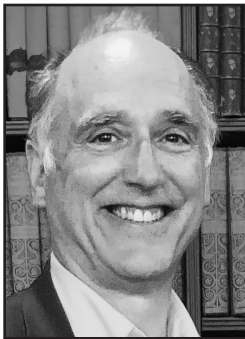


Sally J. Lieber | DEMOCRATIC

I am a corporate-free candidate running to represent you on the Board of Equalization, the agency that oversees the collection of property taxes which fund schools and local government in our State. As a Board member, I will ensure that the voices of everyday people are heard; that our tax system is fair and equitable for homeowners, renters, veterans, people living with disabilities, small businesses, and communities of color; that investor-owned utilities and other big money interests pay their fair share; and that state government works to combat climate change. I will always protect Prop. 13 benefits for homeowners. I am the only candidate in this race that has balanced budgets and cut wasteful spending at both the state and local level. In the California State Assembly, I authored legislation that raised the minimum wage statewide, created new environmental protections, and made more

Cal Grant scholarships available to deserving college students. As a local Councilwoman and Mayor, I helped build affordable housing for teachers; blocked Big Tobacco from advertising near schools; opened new childcare and senior services for working families; and worked to increase protections for youth in foster care. I am proud that my work in the State Legislature earned a 100% lifetime rating from Planned Parenthood, the Sierra Club, the Congress of California Seniors, and Equality California; and that I am supported by Governor Gavin Newsom, the California Democratic Party, the California Nurses Association, California Teachers Association, SEIU and AFSCME workers, and the California Professional Firefighters. But the most important stamp of approval comes from you. I respectfully ask for your vote.

P.O. Box 9980, San Jose, CA 95157 | Tel: (650) 646-2068 | E-mail: 2022@sallylieber.org | www.sallylieber.org



Peter Coe Verbica | REPUBLICAN

Peter Coe Verbica is a common-sense Californian endorsed by the Howard Jarvis Taxpayers Association PAC. The heart of Henry Coe State Park (now California's second largest state park) was donated by his family—due to its unwavering appreciation for the great outdoors and the environment. Fiscally responsible, Peter believes gas taxes, DMV fees and food sales taxes should be reduced and that State revenues should be used to fight fires, improve water resources, and clean up our roadways, trails and beaches. Trained in business, real estate, law, and as a Certified Financial Planner®, Peter brings extensive professional experience to the Board of Equalization. He understands that Californian stakeholders want lower taxes, good-paying jobs, safe neighborhoods, reasonable housing costs, and high-quality schools. Peter has actively supported education, military service men and women, youth

ballet, the symphony, Asian-American culture, and California State Parks. A father of four daughters, the oldest of whom served in the US Navy, Peter believes in service to one's community and Country. He is the former Chair of the Military Care Committee, which provided hundreds of care packages to US sailors and Marines. Peter is a graduate of Bellarmine, Santa Clara University, and MIT. He is a published author whose works appear in over 40 anthologies. He is a member of Saint Francis Episcopal Church. Peter believes in a clear-eyed, efficient, fair approach to governance and the importance of the BOE's Taxpayers' Rights Advocate Office as a vital venue for aggrieved taxpayers. For more information go to www.peterverbica.com.

160 Lakeview Dr., Felton, CA 95018 | Tel: (408) 832-3030 | E-mail: peter.verbica@gmail.com
www.peterverbica.com | Facebook: Peter Coe Verbica Board of Equalization District 2, 2022
Twitter: Peter Coe Verbica for Board of Equalization (@pverb_equalizer)

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CANDIDATE STATEMENTS

BOARD OF EQUALIZATION

DISTRICT 3

Y. Marie Manvel | NO PARTY PREFERENCE

No candidate statement.

Tony Vazquez | DEMOCRATIC

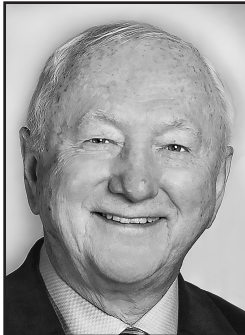
No candidate statement.

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CANDIDATE STATEMENTS

BOARD OF EQUALIZATION

DISTRICT 4



Mike Schaefer | DEMOCRATIC

I'm Mike Schaefer, "*The Equalizer*." I'm proud to serve as your Elected Taxpayer Advocate and as the Vice Chair of the California State Board of Equalization. 10 million of you, my constituents, in the counties of San Diego, Orange, Riverside, Imperial, and San Bernardino, rely upon me to serve as your state fiscal watchdog using my oversight responsibilities for our \$77 billion property tax system, which funds schools and local government services you count on. When you elected me in 2019, I became the oldest freshman constitutional officer in state history. When the pandemic struck, I worked with Governor Newsom to initiate an Executive Order which aided small businesses by postponing penalty deadlines for property tax statements helping to keep businesses afloat during challenging times. I co-led a 50-person statewide COVID-19 Task Force that created innovative tax solutions to

protect Prop. 13, veterans, individuals, families, and seniors. Experience and Education: Business degree from University of California, Berkeley and a law degree from Georgetown University. Investigator and Financial Analyst for U.S. Securities and Exchange Commission in Washington, D.C.; San Diego City Councilmember. My legal career began in the San Diego City Attorney's Office, before going into private practice and becoming a champion for fair and equitable election law. I'm proud to be endorsed by the *California Democratic Party*, *State Controller Betty Yee*, *State Treasurer Fiona Ma*, *State Board of Equalization Chair Malia Cohen*, and *Assemblymember Chris Ward*, who join with taxpayers and working families in supporting my re-election. I am honored to earn your vote and will continue to fight for tax justice and equity protecting your hard-earned tax dollars. Visit www.MikeFightsForUs.com

Tel: (858) 264-6711 | E-mail: MikeSchaefer2022@gmail.com | MikeFightsForUs.com | Facebook: [BoEMemberSchaefer](https://www.facebook.com/BoEMemberSchaefer)



David Dodson | DEMOCRATIC

With 30 years experience in Property Tax Assessment at the BOE and manager of the Southern California regional office, I am the most qualified candidate. The Board oversees California's Property Tax system. I'm committed to using my knowledge in this specialized field to protect your rights, fight against loopholes and solve challenges. I'll deliver the necessary expertise to navigate tax law changes. The home is one of the few avenues for families to build wealth. I'll make positive changes to help Californians. #USCG

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DavidDodson4BOE.org | Facebook: [DavidDodson4BOE](https://www.facebook.com/DavidDodson4BOE) | Twitter: [Dodson4BOE](https://twitter.com/Dodson4BOE) | Instagram: [dodson4boe](https://www.instagram.com/dodson4boe)
Linkedin: [in/dodson4boe/](https://www.linkedin.com/in/dodson4boe/)

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CANDIDATE STATEMENTS

SUPERINTENDENT OF PUBLIC INSTRUCTION (NONPARTISAN OFFICE)

- As the state's chief of public schools, provides education policy direction to local school districts, and works with the education community to improve academic performance.
 - Heads the Department of Education and carries out policies set by the State Board of Education.
 - Serves as an ex-officio member of governing boards of the state's higher education system.
-



Tony K. Thurmond

California students have experienced tough times these last few years. As your State Superintendent, I led efforts to steer schools through the pandemic, including securing one million computers and billions in funding to close the Internet gap, and to provide resources to keep our schools open and our students safe. As we work to overcome the challenges that students faced during the pandemic, I am proud to have secured new resources to help our students heal and recover. This includes funding to hire 10,000 mental health clinicians, pre-school slots for every 4-year-old, and free school meals for every hungry student. As a public school parent who has spent 14 years teaching life skills and civics, running after-school and mental health programs and advocating for students, I'm committed to partnering with parents to guide the educational needs of our students. I am leading efforts to make sure

students thrive, including ensuring all students learn to read by third grade and providing computer science training and dual language immersion opportunities. I will stand up to those who seek to privatize public education and to those who attack LGBTQ youth, students of color, and low-income youth. I will work to address inequities in education and ensure that all students receive a first-rate education and a chance at a great life. I am honored to be endorsed by California's teachers, nurses, and firefighters, along with the California Democratic Party, Planned Parenthood, Equality California, Speaker Nancy Pelosi, and Senator Alex Padilla. I would be honored to have your vote this November.

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Facebook: facebook.com/Tony.Thurmond | Twitter: [@TonyThurmond](https://twitter.com/TonyThurmond) | Instagram: [@TonyThurmondSPI](https://www.instagram.com/TonyThurmondSPI)
LinkedIn: [tonythurmond4spi](https://www.linkedin.com/in/tonythurmond4spi)



Lance Ray Christensen

California public schools are failing by every measure. Our children are ill-prepared for the 21st Century economy despite spending \$23,893 per public school student this year. California ranks 50th in literacy. Eighth graders are doing fifth-grade math. During the lockdowns, California schools remained closed longer than any other state, and almost 300,000 students left our public schools. Entrenched special interests disregard parents while prioritizing failed teaching fads and embracing radical curricula. This must stop. As a father of 5, a former teacher, an education policy executive, and a drafter of the school choice initiative, I'll take my two decades of policy, legislative, and budgetary experience and add parents into the education equation. I'll demand excellence from our local school districts and push for education reforms benefiting students, not special interests. We must protect our

children in the classroom. I'll prioritize safe schools. I would be honored to earn your vote as the next Superintendent of Public Instruction. I am committed to remaking California education the envy of the world.

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lancechristensen.com | Facebook: <https://www.facebook.com/Lance4CASuper> | Twitter: <https://twitter.com/Lance4CASuper>
Instagram: <https://www.instagram.com/lance4casuper/>

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Elections in California

The Top Two Candidates Open Primary Act requires that all candidates for a voter-nominated office be listed on the same ballot. Voter-nominated offices include state legislative offices, U.S. congressional offices, and state constitutional offices.

In both the open primary and general elections, you can vote for any candidate regardless of what party preference you indicated on your voter registration form. In the primary election, the two candidates receiving the most votes—regardless of party preference—move on to the general election. If a candidate receives a majority of the vote (at least 50 percent + 1), a general election still must be held.

California's open primary system does not apply to candidates running for U.S. President, county central committee, or local offices.

Write-in candidates for voter-nominated offices can still run in the primary election. However, a write-in candidate can only move on to the general election if the candidate is one of the top two vote-getters in the primary election. Additionally, there is no independent nomination process for a general election.

California law requires the following information to be printed in this guide.

Voter-Nominated Offices

Political parties are not entitled to formally nominate candidates for voter-nominated offices at the primary election. A candidate nominated for a voter-nominated office at the primary election is the nominee of the people and not the official nominee of any party at the general election. A candidate for nomination to a voter-nominated office shall have their qualified party preference, or lack of qualified party preference, stated on the ballot, but the party preference designation is selected solely by the candidate and is shown for the information of the voters only. It does not mean the candidate is nominated or endorsed by the party designated, or that there is an affiliation between the party and candidate, and no candidate nominated by the voters shall be deemed to be the officially nominated candidate of any political party. In the county voter information guide, parties may list the candidates for voter-nominated offices who have received the party's official endorsement.

Any voter may vote for any candidate for a voter-nominated office, if they meet the other qualifications required to vote for that office. The top two vote-getters at the primary election move on to the general election for the voter-nominated office even if both candidates have specified the same party preference designation. No party is entitled to have a candidate with its party preference designation move on to the general election, unless the candidate is one of the two highest vote-getters at the primary election.

Nonpartisan Offices

Political parties are not entitled to nominate candidates for nonpartisan offices at the primary election, and a candidate at the primary election is not the official nominee of any party for the specific office at the general election. A candidate for nomination to a nonpartisan office may not designate their party preference, or lack of party preference, on the ballot. The top two vote-getters at the primary election move on to the general election for the nonpartisan office.

The Electoral Procedure

Under the California Constitution, justices of the Supreme Court and the courts of appeal are subject to confirmation by the voters. The public votes “yes” or “no” on whether to retain each justice.

These judicial offices are nonpartisan.

Before a person can become an appellate justice, the Governor must submit the candidate's name to the Judicial Nominees Evaluation Commission, which is comprised of public members and lawyers. The commission conducts a thorough review of the candidate's background and qualifications, with community input, and then forwards its evaluation of the candidate to the Governor.

The Governor then reviews the commission's evaluation and officially nominates the candidate, whose qualifications are subject to public comment before examination and review by the Commission on Judicial Appointments. That commission consists of the Chief Justice of California, the Attorney General of California, and a senior Presiding Justice of the Courts of Appeal. The Commission on Judicial Appointments must then confirm or reject the nomination. Only if confirmed does the nominee become a justice.

Following confirmation, the justice is sworn into office and is subject to voter approval at the next gubernatorial election, and thereafter at the conclusion of each term. The term prescribed by the California Constitution for justices of the Supreme Court and courts of appeal is 12 years. Justices are confirmed by the Commission on Judicial Appointments only until the next gubernatorial election, at which time they run for retention of the remainder of the term, if any, of their predecessor, which will be either four or eight years. (Elections Code section 9083.)

When a state Supreme Court or Court of Appeal justice is near the end of a term in office, voters are asked to decide if the justice will be retained (continue to serve) for an additional term. This is called a retention election.

In retention elections, justices do not run against opposing candidates. If a justice receives more “yes” votes, the justice may remain in his or her position. If a justice receives more “no” votes, the justice will complete the current term and then a new justice will be appointed by the Governor.

State Supreme Court justices hold statewide office so all California voters participate in Supreme Court retention elections.

Courts of Appeal justices serve in one of six districts in California. Only registered voters within an appellate district are asked to determine if the justices of that district will be retained.

For more information about Supreme Court justices and Appellate Court justices, visit voterguide.sos.ca.gov or courts.ca.gov.

On August 10, 2022, the Honorable Patricia Guerrero, Associate Justice of the Supreme Court, was nominated by Governor Gavin Newsom to be the next Chief Justice of California. A nomination by the Governor is effective when confirmed by the Commission on Judicial Appointments. If confirmed by the Commission, then Justice Guerrero will appear on the November 8, 2022, General Election ballot. For more information on judicial elections, see page 68 of this guide. For updated information about California Supreme Court nominations, go to www.courts.ca.gov.

Patricia Guerrero, Chief Justice of California

Bar Admission: 1997

Education: Stanford Law School, J.D., 1997; University of California, Berkeley, B.A., 1994.

Professional Legal Background: Partner, Latham & Watkins LLP (2006–2013); Associate, Latham & Watkins LLP (2003–2006 & 1997–2002); Assistant U.S. Attorney, U.S. Attorney's Office, Southern District of California (2002–2003).

Judicial Background: Associate Justice, California Supreme Court, March 2022–present; Associate Justice, California Court of Appeal, Fourth Appellate District, Division One, December 2017–March 2022; Judge, San Diego Superior Court, 2013–2017.

Joshua P. Groban, Associate Justice, Supreme Court of California

Bar Admission: December 1998

Education: Harvard Law School, J.D., 1998; Stanford University, A.B., 1995.

Professional Legal Background: Law Clerk to Judge William C. Conner, Southern District of New York, 1998–1999; Attorney, Paul, Weiss, Rifkind, Wharton & Garrison LLP, 1999–2005; Attorney, Munger, Tolles & Olson LLP, 2005–2010; Senior Advisor to Governor Jerry Brown, 2011–2018; Lecturer, UCLA School of Law, 2014–2018.

Judicial Background: Associate Justice, Supreme Court of California, 2018–present.

Martin J. Jenkins, Associate Justice

Bar Admission: May 1981

Education: University of San Francisco School of Law, J.D.; Santa Clara University, A.B., City College of San Francisco.

Professional Legal Background: Prosecutor, Alameda County District Attorney's Office, 1981–1983; Trial attorney, United States Department of Justice, Civil Rights Division—Criminal Section, 1983–1986; Trial attorney, Pacific Bell Legal Department, 1986–1989.

Judicial Background: Judge, Oakland, Piedmont, Emeryville Municipal Court, 1989–1992; Judge, Alameda County Superior Court, 1992–1997; Judge, United States District Court for the Northern District of California, 1997–2008; Associate Justice, California Court of Appeal, First Appellate District, Division Three, 2008–2019.

Goodwin Liu, Associate Justice, California Supreme Court

Bar Admission: 1999

Education: Yale Law School, J.D., 1998; Stanford University, B.S., 1991; Oxford University, M.A., 2002.

Professional Legal Background: Professor of Law, UC Berkeley School of Law, (2003–2011); Associate Dean, UC Berkeley School of Law, (2008–2010); Litigation Associate, O'Melveny & Myers LLP, (2001–2003); Law Clerk to U.S. Supreme Court Justice Ruth Bader Ginsburg (2000–2001); Special Assistant to the Deputy Secretary, U.S. Department of Education, (1999–2000); Law Clerk to U.S. Circuit Judge David S. Tatel, (1998–1999).

Judicial Background: Associate Justice, Supreme Court of California, 2011 to present.

WARNING: ELECTIONEERING PROHIBITED!

VIOLATIONS CAN LEAD TO FINES AND/OR IMPRISONMENT.

WHERE:

- Within the immediate vicinity of a person in line to cast their ballot or within 100 feet of the entrance of a polling place, curbside voting or drop box the following activities are prohibited.

WHAT ACTIVITIES ARE PROHIBITED:

- **DO NOT** ask a person to vote for or against any candidate or ballot measure.
- **DO NOT** display a candidate's name, image, or logo.
- **DO NOT** block access to or loiter near any ballot drop boxes.
- **DO NOT** provide any material or audible information for or against any candidate or ballot measure near any polling place, vote center, or ballot drop box.
- **DO NOT** circulate any petitions, including for initiatives, referenda, recall, or candidate nominations.
- **DO NOT** distribute, display, or wear any clothing (hats, shirts, signs, buttons, stickers) that include a candidate's name, image, logo, and/or support or oppose any candidate or ballot measure.
- **DO NOT** display information or speak to a voter about the voter's eligibility to vote.

The electioneering prohibitions summarized above are set forth in Article 7 of Chapter 4 of Division 18 of the California Elections Code.

WARNING: CORRUPTING THE VOTING PROCESS IS PROHIBITED!

VIOLATIONS SUBJECT TO FINE AND/OR IMPRISONMENT.

WHAT ACTIVITIES ARE PROHIBITED:

- **DO NOT** commit or attempt to commit election fraud.
- **DO NOT** provide any sort of compensation or bribery to, in any fashion or by any means induce or attempt to induce, a person to vote or refrain from voting.
- **DO NOT** illegally vote.
- **DO NOT** attempt to vote or aid another to vote when not entitled to vote.
- **DO NOT** engage in electioneering; photograph or record a voter entering or exiting a polling place; or obstruct ingress, egress, or parking.
- **DO NOT** challenge a person's right to vote or prevent voters from voting; delay the process of voting; or fraudulently advise any person that he or she is not eligible to vote or is not registered to vote.
- **DO NOT** attempt to ascertain how a voter voted their ballot.
- **DO NOT** possess or arrange for someone to possess a firearm in the immediate vicinity of a polling place, with some exceptions.
- **DO NOT** appear or arrange for someone to appear in the uniform of a peace officer, guard, or security personnel in the immediate vicinity of a polling place, with some exceptions.
- **DO NOT** tamper or interfere with any component of a voting system.
- **DO NOT** forge, counterfeit, or tamper with the returns of an election.
- **DO NOT** alter the returns of an election.
- **DO NOT** tamper with, destroy, or alter any polling list, official ballot, or ballot container.
- **DO NOT** display any unofficial ballot collection container that may deceive a voter into believing it is an official collection box.
- **DO NOT** tamper or interfere with copy of the results of votes cast.
- **DO NOT** coerce or deceive a person who cannot read or an elder into voting for or against a candidate or measure contrary to their intent.
- **DO NOT** act as an election officer when you are not one.

EMPLOYERS cannot require or ask their employee to bring their vote-by-mail ballot to work or ask their employee to vote their ballot at work. At the time of payment of salary or wages, employers cannot enclose materials that attempt to influence the political opinions or actions of their employee.

PRECINCT BOARD MEMBERS cannot attempt to determine how a voter voted their ballot or, if that information is discovered, disclose how a voter voted their ballot.

The prohibitions on activity related to corruption of the voting process summarized above are set forth in Chapter 6 of Division 18 of the California Elections Code.

Voter Registration

If you are already registered to vote, you do not need to re-register **unless** you change your name, home address, or mailing address, or if you want to change or select a political party.

Register to vote online at registertovote.ca.gov or call the Secretary of State's toll-free Voter Hotline at (800) 345-VOTE (8683) to get a voter registration form mailed to you.

Voter registration forms can be found at most post offices, libraries, city and county government offices, county elections offices, and the California Secretary of State's office.

Conditional Voter Registration

If you missed the voter registration deadline 15 days before Election Day, you can still register to vote.

During the 14 days prior to and including Election Day, you can conditionally register to vote and vote at your county elections official's office, a vote center, or polling place. To learn more visit <http://www.sos.ca.gov/elections/voter-registration/same-day-reg>.

Voter Registration Privacy Information

Safe at Home Confidential Voter Registration Program: Certain voters facing life-threatening situations (i.e., victims and survivors of domestic violence, stalking, sexual assault, human trafficking, elder/dependent adult abuse) may qualify for confidential voter status if they are active members of the Safe at Home program. For more information, contact the Secretary of State's Safe at Home program toll-free at (877) 322-5227 or visit <https://www.sos.ca.gov/registries/safe-home/>.

Voter Information Privacy: Information on your voter registration affidavit will be used by elections officials to send you official information on the voting process, such as the location of your polling place, and the measures and candidates that will appear on the ballot. Commercial use of voter registration information is prohibited by law and is a misdemeanor. Voter information may be provided to a candidate for office, a ballot measure committee, or other person for election, scholarly, journalistic, political, or governmental purposes, as determined by the Secretary of State. Driver license and social security numbers, or your signature as shown on your voter registration card, cannot be released for these purposes. If you have any questions about the use of voter information or wish to report suspected misuse of such information, please call the Secretary of State's toll-free Voter Hotline at (800) 345-VOTE (8683).

Check Your Voter Status Online



Visit the Secretary of State's My Voter Status page at voterstatus.sos.ca.gov, where you can check your voter status, find your polling place or a vote center, and much more.

Use **My Voter Status** to:

- Verify that you are registered to vote
- Verify your voter registration address
- Verify your political party preference
- Verify your language preference
- Find your vote center or your assigned polling place
- Find upcoming elections in your area
- Choose to receive your state or county Voter Information Guide (VIG) by email before each statewide election
- Find contact information for your county elections office
- Check whether your vote-by-mail ballot or provisional ballot has been counted



To check your voter status, you will need to enter your first name, last name, date of birth, and your California driver license or California identification card number, or the last four digits of your social security number.

You can use the My Voter Status tool to opt out of receiving the state VIG. However, if another registered voter in your household requests to get the state VIG by mail, it will still be mailed to your address. The state VIG is also available online at voterguide.sos.ca.gov.

Go to voterstatus.sos.ca.gov to get started.

Forget to register or update your voter registration? No problem!

You can register to vote and vote until 8:00 p.m. on Election Day at your county elections office or at any vote center or polling place in your county. This process is called Conditional Voter Registration or Same Day Voter Registration. Here's how it works:

1. Visit your county elections office, a vote center, or polling place in your county which can be found in your county Voter Information Guide or at vote.ca.gov.
2. Complete a voter registration card or an online application.
3. Vote your ballot at your county elections office, vote center, or polling place.
4. Once the county elections official processes your registration, and determines you are eligible, you will be registered to vote and your ballot will be counted.

To learn more about same day voter registration, visit sos.ca.gov/elections/voter-registration/same-day-reg.

Democracy Needs You! Serve as a Poll Worker

Help your community exercise their right to vote by signing up to be a poll worker. As a poll worker you can make sure voters can easily and safely cast their vote. Gain hands-on experience and take part in the single most important right in our democracy—Voting!

Why be a poll worker?

- ✓ Support your democracy
- ✓ Get involved and assist voters
- ✓ Become an active member of your community
- ✓ Get paid for your assistance (amount varies by county)

What does a poll worker do?

- ✓ Sets up and closes in-person voting location
- ✓ Assists voters at the in-person voting locations
- ✓ Helps voters understand their rights
- ✓ Protects ballots and voting equipment
- ✓ Ensures a smooth and accessible voting experience

Do you speak another language?

- ✓ We need your help providing language access and assistance to voters so everyone can participate

Who can be a poll worker?

To serve as a poll worker you must:

- ✓ Be at least 16 years of age;
- ✓ Be a resident of California*; and
(*U.S. citizens and legal residents are eligible to be poll workers)
- ✓ Attend trainings

Help your community and sign up to become a poll worker. Complete your form today at pollworker.sos.ca.gov.

For more information about being a poll worker, contact your county elections office (see page 126 of this guide) or call the California Secretary of State at (800) 345-VOTE (8683), or visit vote.ca.gov.

Assistance for Voters with Disabilities

Voting at a Polling Place or Vote Center

California polling places and vote centers provide voters with disabilities the opportunity to vote their ballot privately and independently. All voting locations are surveyed in advance to ensure they are accessible to voters with disabilities. All voting locations provide:

- Accessible voting technology available to all voters
- Designated accessible parking as close to the voting area as possible
- Curbside voting

Curbside voting allows voters with disabilities to park their vehicle close to the voting area and vote from their vehicle. Election workers will bring out a roster to sign, a ballot, and any other voting materials needed. Look for a posted number at your polling location to contact election workers to let them know you require assistance or contact your county elections office.

Vote center counties have “More Days, More Ways to Vote” by allowing voters to vote at any vote center location in the county up to 10 days before Election Day. Voters in all counties can also vote in their county elections office between October 10 through Election Day.

Voting at Home

Voters with disabilities can also vote independently at home using remote accessible vote-by-mail (RAVBM) systems. RAVBM systems allow voters to receive their ballots electronically and mark them independently and privately before mailing them back to elections officials. RAVBM ballots can also be dropped at any ballot drop box location or county elections office. Contact your county elections official for more information.

For more information about services your county offers to voters with disabilities, please contact your county elections official by visiting sos.ca.gov/elections/voting-resources/county-elections-offices.

Audio & Large Print Voter Information Guides

This guide is available in audio and large print versions at no cost in English, Chinese, Hindi, Japanese, Khmer, Korean, Spanish, Tagalog, Thai, and Vietnamese.

To order:



Visit vote.ca.gov



Call the Secretary of State's toll-free voter hotline at (800) 345-VOTE (8683)



Download an audio MP3 version at voterguide.sos.ca.gov/en/audio

Tips for California's Military and Overseas Voters

Participation in elections is more convenient than ever for Californians serving in the military or living outside the United States. It begins when you register to vote as a military or overseas voter and receive election materials by mail, fax, or email. Be prepared!

- **Start early.** County elections officials' last day to send ballots to military and overseas voters is 45 days before Election Day. Complete a voter registration application early at RegisterToVote.ca.gov to ensure that you receive your ballot by Election Day.
- **Know your options.** When registering to vote as a military or overseas voter, you can choose to have your ballot mailed, faxed, or emailed to you. Additionally, you may visit your county elections official's website for information about how to download your ballot and election materials. You may return your voted ballot to your county elections official by mail or, in certain circumstances, by fax. If you meet the requirements to return your ballot by fax, you must also fax the Oath of Voter form (available from your county elections official) waiving your right to a confidential ballot.
- **Stay in touch.** Once you register as a military or overseas voter, you will continue to receive a ballot and election materials from your county elections official before each election. However, you will need to update your registration to vote if you change your address, your name, or your political party preference, or if you do not participate in four consecutive statewide general elections. Visit www.sos.ca.gov/elections/voter-registration/military-overseas-voters/ for more election resources designed especially for you.

Dates to remember:

October 24: Last day for military and overseas voters to register to vote and request a ballot.

November 1: Last day for military or overseas voters to update or change how they want to receive their ballot.

November 8: Election Day. Mailed ballots must be postmarked on or before Election Day **and** received by your county elections office no later than **November 15**. Faxed ballots must be delivered to your county elections office no later than 8:00 p.m. Pacific Standard Time on Election Day.

For more information contact:

California Secretary of State



(800) 345-VOTE



www.sos.ca.gov/elections/voter-registration/military-overseas-voters/

Federal Voting Assistance Program



(800) 438-VOTE



www.fvap.gov

PROPOSITION 1

This amendment proposed by Senate Constitutional Amendment 10 of the 2021–2022 Regular Session (Resolution Chapter 97, Statutes of 2022) expressly amends the California Constitution by adding a section thereto; therefore, new provisions proposed to be added are printed in *italic type* to indicate that they are new.

PROPOSED AMENDMENT TO ARTICLE I

That Section 1.1 is added to Article I thereof, to read:

SEC. 1.1. The state shall not deny or interfere with an individual's reproductive freedom in their most intimate decisions, which includes their fundamental right to choose to have an abortion and their fundamental right to choose or refuse contraceptives. This section is intended to further the constitutional right to privacy guaranteed by Section 1, and the constitutional right to not be denied equal protection guaranteed by Section 7. Nothing herein narrows or limits the right to privacy or equal protection.

PROPOSITION 26

This initiative measure is submitted to the people in accordance with the provisions of Section 8 of Article II of the California Constitution.

This initiative measure amends a section of the California Constitution and adds sections to the Business Professions Code and the Government Code; therefore, existing provisions proposed to be deleted are printed in ~~strikeout type~~ and new provisions proposed to be added are printed in *italic type* to indicate that they are new.

PROPOSED LAW

SECTION 1. Title.

This measure shall be known as the “California Sports Wagering Regulation and Unlawful Gambling Enforcement Act.”

SEC. 2. Findings and Declarations.

(a) In May 2018, the United States Supreme Court eliminated the federal prohibition on sports wagering. As a result, states now have the freedom to authorize sports wagering within their borders and establish regulations, consumer protections, responsible gambling measures, and taxes on sports wagering. Already 20 states have chosen to regulate and tax sports wagering in a manner that provides for consumer protections, responsible gambling, and gives adults the choice to participate in this activity.

(b) Unregulated and untaxed sports wagering is happening throughout California without any consumer or responsible gambling protections. Leading economists and industry experts estimate that during the federal prohibition on sports wagering, a thriving black market flourished with billions of

dollars wagered annually across the United States. The illegal sports wagering market in California continues to thrive and will continue to be an attractive option due to its untaxed, unregulated, and unlicensed nature.

(c) Unregulated gambling enterprises are a threat to public safety and public health as they are often conducted by criminal elements. Accordingly, no person in this state has a right to operate a gambling enterprise except as may be expressly permitted by federal, state, or local law.

(d) Leading economists and industry experts estimate a legal and regulated sports wagering market in California could generate hundreds of millions of dollars in economic activity in the initial years, which would result in tens of millions of dollars in annual tax revenue for the State of California.

(e) Sports wagering should be regulated and taxed in California to stamp out the black market of illegal gambling operations to allow adults the choice to participate in this activity with strong consumer protections.

(f) Taxing sports wagering would create new revenue to increase funding for programs related to preventing problems associated with problem gambling and mental health, and help finance the state's general fund priorities related to education and public safety.

(g) Californians 21 years of age or older should have the choice to participate in legal sports wagering in highly regulated and safe facilities that are experienced in gaming operations and are in good standing with the appropriate federal, state, and local regulatory agencies.

(h) In keeping with our California values of protecting our children and young people, sports wagering must be tightly regulated. It must be limited to only adults 21 years old or older. Existing law recognizes that gambling can become addictive and is not an activity to be promoted or legitimized as entertainment for children and families. Accordingly, there shall be no advertising or marketing of sports wagering directed to children.

(i) In order to protect our students and our colleges and universities, sports wagering on high school sports and on California-based college teams must also be strictly prohibited.

(j) To prevent the exploitation of animals, sports wagering will not be allowed on any currently prohibited form of animal contests, such as greyhound or other dog races.

(k) Public confidence that legal gambling, including sports wagering, will not endanger public health, safety, or welfare requires that comprehensive measures be enacted and enforced to ensure that gambling is free from criminal and corruptive elements, that it is conducted honestly and competitively, and that it is conducted only at suitable locations. The California gaming industry must be held accountable to ensure they are complying with

anti-money laundering laws and other applicable laws and regulations.

(l) Current enforcement of gambling laws are inadequate. California needs more ways to enforce our state's gambling laws to protect children and vulnerable adults from unscrupulous organizations that run illegal gambling operations. Californians should be able to report and enforce violations of California laws against illegal gambling activities.

(m) A well-supervised sports wagering system will limit sports wagering to highly regulated and safe facilities that are experienced in gambling operations and with the financial resources to responsibly operate the activity. The best entities to safely operate sports wagering are Indian gaming casinos and approved racetrack operators.

(n) Since 2000, California tribal governments have operated Indian gaming casinos on their own tribal lands, generating much-needed resources to help reverse the brutal history endured by California Native Americans. These resources have allowed California tribes to provide services, including healthcare, schools, scholarships, cultural resource protection, fire services, law enforcement services, water systems, environmental protection, and more. Importantly, in the last 20 years, California tribes have shared more than \$1 billion in revenues with non-gaming tribes to help strengthen tribal communities.

(o) In 2016, Indian gaming in California directly and indirectly generated the following total economic and fiscal impacts on the California economy: 124,300 jobs; \$20 billion in output; \$9 billion in wages to employees; and \$3.4 billion in taxes and revenue sharing payments to federal, state, and local governments, including nearly \$1 billion to the State of California and \$378 million to local governments.

(p) Horse racing represents one of the oldest forms of wagering, existing in California for almost a century. Over 17,000 licensed jobs are tied to the horse racing industry. According to the California Horse Racing Board, over \$3 billion is wagered each year. This brings in millions of dollars in revenue to the state, to the world's premier equine chemistry laboratory, the Kenneth L. Maddy Equine Analytical Chemistry Laboratory at the University of California, Davis, and to local governments from sales taxes.

(q) The California Sports Wagering Regulation and Unlawful Gambling Enforcement Act ensures that sports wagering is regulated and taxed, so adults who choose to participate in this activity can do so legally, while raising revenue for education, public safety, and mental health, ensuring strong consumer protections especially for children, and strengthening enforcement of gambling laws.

SEC. 3. Purposes and Intent.

The purpose of the California Sports Wagering Regulation and Unlawful Gambling Enforcement Act is to regulate and tax sports wagering in California and

strengthen California's gambling regulations and safeguards by:

(a) Regulating and taxing sports wagering to take sports wagering out of the black market and create a regulatory structure that prevents access by minors and protects public safety by allowing sports wagering at highly regulated and safe facilities that are experienced in gaming operations.

(b) Permitting tribal governments to offer sports wagering, roulette, and games played with dice, after negotiations pursuant to state and federal law, as tribal governments have an expertise in gaming operations and possess the financial resources to responsibly operate sports wagering.

(c) Permitting approved racetrack operators to offer sports wagering as these operators are also highly regulated and are experienced in gaming operations.

(d) Ensuring that these facilities and operators are in good standing with the appropriate federal, state, and local regulatory agencies.

(e) Creating strict consumer protections to promote responsible sports wagering and protect children and public health, such as:

(1) Requiring adults 21 or older to be physically present in a facility to place sports wagers.

(2) Only permitting sports wagering by those 21 or older to safeguard against underage gambling.

(3) Prohibiting the marketing and advertising of sports wagering to persons younger than 21 years old.

(4) Permitting sports wagering only on professional, college, or amateur sport or athletic events.

(5) Prohibiting wagering on any high school sports or athletic events to protect our students.

(6) Prohibiting wagering on any sports or athletic events in which any California college team participates, to protect our students and our colleges and universities, while permitting sports wagering on popular events such as the NCAA basketball tournament.

(7) Prohibiting wagering on any currently illegal sporting event or contest, including, but not limited to, animal races, such as greyhound or other dog races, to prevent the exploitation of animals.

(8) Allowing the Legislature to provide for anti-corruption measures to ensure the integrity of sporting events.

(f) Imposing a 10 percent tax on sports wagering activity conducted by approved racetrack operators to fund programs related to problem gambling prevention and mental health and the implementation and oversight of sports wagering and other forms of gaming, and help finance the state's general fund priorities related to education and public safety.

(g) Auditing expenditures of sports wagering revenue to ensure this revenue is spent properly and effectively.

(h) Protecting public safety by strengthening the enforcement of California's current gambling laws to allow Californians to hold illegal gambling activities and operations accountable.

(i) Increasing enforcement of existing gambling rules to ensure that all establishments that offer gambling opportunities play by the rules and follow the law. These increased enforcement measures will ensure that all lawful gambling is free from criminal and corruptive elements and that it is conducted honestly and competitively by suitable operators and hold gambling enterprises accountable without burdening local law enforcement.

(j) Ensuring that establishments that offer legal sports wagering play by the rules by making them subject to appropriate audit standards.

SEC. 4. Section 19 of Article IV of the California Constitution is amended to read:

SEC. 19. (a) The Legislature has no power to authorize lotteries, and shall prohibit the sale of lottery tickets in the State.

(b) The Legislature may provide for the regulation of horse races and horse race meetings and wagering on the results.

(c) Notwithstanding subdivision (a), the Legislature by statute may authorize cities and counties to provide for bingo games, but only for charitable purposes.

(d) Notwithstanding subdivision (a), there is authorized the establishment of a California State Lottery.

(e) The Legislature has no power to authorize, and shall prohibit, casinos of the type currently operating in Nevada and New Jersey.

(f) Notwithstanding subdivisions (a) and (e), and any other provision of state law, the Governor is authorized to negotiate and conclude compacts, subject to ratification by the Legislature, for the operation of slot machines and for the conduct of lottery games and banking and percentage card games, *roulette, games played with dice, and sports wagering* by federally recognized Indian tribes on Indian lands in California in accordance with federal law. Accordingly, slot machines, lottery games, and banking and percentage card games, *roulette, games played with dice, and sports wagering* are hereby permitted to be conducted and operated on Indian tribal lands subject to those compacts.

(f) (g) Notwithstanding subdivision (a), the Legislature may authorize private, nonprofit, eligible organizations, as defined by the Legislature, to conduct raffles as a funding mechanism to provide support for their own or another private, nonprofit, eligible organization's beneficial and charitable works, provided that (1) at least 90 percent of the gross receipts from the raffle go directly to beneficial or charitable purposes in California, and (2) any person who receives compensation in connection with the operation of a raffle is an employee of the private

nonprofit organization that is conducting the raffle. The Legislature, two-thirds of the membership of each house concurring, may amend the percentage of gross receipts required by this subdivision to be dedicated to beneficial or charitable purposes by means of a statute that is signed by the Governor.

(h) *Notwithstanding subdivision (a) and (e), beginning on January 1, 2022, approved racetrack operators, as defined by Section 19670 of the Business and Professions Code, may offer sports wagering, provided that any sports wagers authorized to be made pursuant to this subdivision shall be physically placed by patrons, and accepted by the approved racetrack operator, within a designated building of a race track at which an approved racetrack operator has conducted live horse races in the immediately preceding 18 months. Sports wagers authorized to be made pursuant to this subdivision shall not be made at betting kiosks or self-service gaming terminals outside of designated buildings of the race track.*

(i) (1) *For the purposes of subdivisions (f) and (h), "sports wagering" shall mean wagering on the results of any professional, college, or amateur sport or athletic event. Sports wagering shall not mean wagering on the results of:*

(A) *Any high school sport or athletic event.*

(B) *A sport or athletic event in which any California college team participates regardless of where the event takes place; however a sport or athletic event in which any California college team participates shall not include other games of a collegiate sport or athletic tournament in which a California college team participates.*

(C) *Any sport or athletic event or horse race that has already been completed. Further, the outcome, including the redemption of winnings, from any sport or athletic event or horse race shall not be displayed or represented in a manner that mimics a slot machine or any other casino-style game, including, but not limited to, blackjack, roulette, or craps.*

(D) *Horse races and horse race meetings and wagering on the results as authorized by subdivision (b) and statutes promulgated pursuant to that subdivision.*

(2) *The Legislature shall authorize by law statutes necessary to implement this subdivision, which shall also provide for consumer protections and anticorruption measures to ensure the integrity of sport or athletic events.*

SEC. 5. Sports Wagering Regulation and Unlawful Gambling Enforcement.

SEC. 5.1. Article 12 (commencing with Section 19670) is added to Chapter 4 of Division 8 of the Business and Professions Code, to read:

Article 12. Sports Wagering at Licensed Horse Racing Facilities

19670. Definitions

For the purposes of this article and Section 19 of Article IV of the California Constitution, "approved

racetrack operators” shall mean operators licensed by the California Horse Racing Board during the 2019 calendar year to conduct live horse race meetings at racing tracks located in the Counties of Alameda, Los Angeles, Orange, or San Diego and operated by a private entity, including a private entity operating on a state fairground within the identified counties. “Approved racetrack operators” shall not include racing tracks of “state designated fairs,” as defined by subdivision (a) of Section 19418 as that section read on January 1, 2020.

19671. Sports Wagering Tax

(a) The daily total of sports wagers with an approved racetrack operator, less the daily total of winnings by patrons, shall be subject to a 10 percent tax.

(b) The California Department of Tax and Fee Administration shall administer and collect the tax imposed by subdivision (a) and may prescribe, adopt, and enforce regulations relating to the administration and enforcement of this section, including, but not limited to, the aggregating of the daily totals on a quarterly, annual, or other periodic basis, collections, reporting, refunds, and appeals.

(c) All revenues resulting from the tax pursuant to subdivision (a) shall be deposited into the California Sports Wagering Fund created by Section 19672.

19672. California Sports Wagering Fund

(a) The California Sports Wagering Fund is hereby established in the State Treasury and, notwithstanding Section 13340 of the Government Code, is continuously appropriated without regard for fiscal year for carrying out the purposes of this article.

(b) All revenues raised pursuant to the tax imposed by Section 19671 shall be deposited into the California Sports Wagering Fund.

(c) Payments made to the state pursuant to tribal-state compacts related to sports wagering may be deposited into the California Sports Wagering Fund.

(d) For purposes of the calculations required by Section 8 of Article XVI of the California Constitution, funds transferred to the California Sports Wagering Fund shall be considered General Fund revenues that may be appropriated pursuant to Article XIII B of the California Constitution.

19673. Distribution of Moneys from the California Sports Wagering Fund

(a) Any actual and reasonable costs incurred by the Controller and the California Department of Tax and Fee Administration in connection with the administration of the California Sports Wagering Fund and the collection of the tax established by Section 19671, as determined by the Director of Finance, shall be deducted from the California Sports Wagering Fund before funds are disbursed pursuant to subdivision (b).

(b) Each fiscal year beginning in 2022–23, the Controller shall disburse the money deposited in the California Sports Wagering Fund remaining after

disbursement is made pursuant to subdivision (a), as follows:

(1) Fifteen percent to the State Department of Public Health for research, development, and implementation of programs and grants for problem gambling prevention and mental health, and for grants to cities, cities and counties, and counties for local programs to address problem gambling and mental health.

(2) Fifteen percent to the Bureau of Gambling Control within the Department of Justice for the actual and reasonable costs of the enforcement and implementation of sports wagering and other forms of gaming within the State of California. The Bureau of Gambling Control shall not spend more than 5 percent of the total funds it receives from the California Sports Wagering Fund on an annual basis for administrative costs as determined by the Director of Finance.

(3) Seventy percent to the General Fund.

(c) Every two years, the Controller shall conduct an audit of the programs operated by the agencies specified in paragraphs (1) and (2) of subdivision (b) to ensure the funds are disbursed and expended solely according to this article and shall report the findings to the Legislature and the public.

(d) The funding described in paragraphs (1) and (2) of subdivision (b) shall be used to expand programs for the purposes of this act. These funds shall not be used to supplant existing state or local funds utilized for these purposes.

19674. Age Limit for Sports Wagering

(a) A person under 21 years of age shall not place sports wagers on, be allowed to place sports wagers on, or collect, whether personally or through an agent, sports wagering winnings from, any sport or athletic event at an approved racetrack operator location.

(b) A person under 21 years of age shall not present or offer to any approved racetrack operator, or to an agent of an approved racetrack operator, any written, printed, or photostatic evidence of age and identity that is false, fraudulent, or not actually the person's own for the purpose of placing a wager on a sports event.

(c) Any person under 21 years of age who violates this section is guilty of a misdemeanor.

SEC. 5.2. Article 18 (commencing with Section 19990) is added to Chapter 5 of Division 8 of the Business and Professions Code, to read:

Article 18. Unlawful Gambling Enforcement

19990. Enforcement Against Unlawful Gambling Activities

(a) In addition to any other penalty provided by law, any person engaging in any conduct made unlawful by Chapter 10 (commencing with Section 330) of Title 9 of Part 1 of the Penal Code, but excluding Sections 335 and 337 of the Penal Code, shall be liable for a civil penalty of up to ten thousand dollars (\$10,000) per violation and be subject to an injunction to stop

that unlawful conduct in a civil action brought in the name of the people of the State of California by the Attorney General. In addition, the Attorney General is empowered to enforce this section by issuing a closure order of 24 hours for the first violation, a closure order of 48 hours for the second violation, and a closure order of 30 days for the third and any subsequent violations.

(b) Any person or entity that becomes aware of any person engaging in any conduct made unlawful by Chapter 10 (commencing with Section 330) of Title 9 of Part 1 of the Penal Code, but excluding Sections 335 and 337 of the Penal Code, may file a civil action for civil penalties and injunctive relief as provided in subdivision (a), if prior to filing such action, the person or entity files with the Attorney General a written request for the Attorney General to commence the action. The request shall include a clear and concise statement of the grounds for believing a cause of action exists.

(1) If the Attorney General files suit within 90 days from receipt of the written request to commence the action, no other action may be brought unless the action brought by the Attorney General is dismissed without prejudice.

(2) If the Attorney General does not file suit within 90 days from receipt of the written request to commence the action, the person or entity requesting the action may proceed to file a civil action.

(3) The time period within which a civil action shall be commenced shall be tolled from the date of receipt by the Attorney General of the written request to either the date the civil action is dismissed without prejudice, or for 150 days, whichever is later, but only for a civil action brought by the person or entity who requested the Attorney General to commence the action.

(c) If a judgment is entered against the defendant or defendants in any action brought pursuant to this section, or the matter is settled, amounts received as civil penalties or pursuant to a settlement of the action shall be deposited in the California Sports Wagering Fund created by Section 19672.

19991. Prohibition of Marketing and Advertising Sports Wagering Directed to Minors

(a) For purposes of this section:

(1) "Advertise" means the publication or dissemination of an advertisement.

(2) "Advertisement" includes any written or verbal statement, illustration, or depiction that is calculated to promote sports wagering, including any written, printed, graphic, or other material, billboard, sign, or other outdoor display, public transit card, other periodical literature, publication, or in a radio or television broadcast, or in any other media. This term shall not include any editorial or other reading material, including a news release, in any periodical or publication or newspaper for the publication of which no money or valuable consideration is paid or

promised, directly or indirectly, by any facility operating sports wagering, and which is not written by or at the direction of the facility operating sports wagering.

(3) "Market" or "Marketing" means any act or process of promoting sports wagering, including, but not limited to, sponsorship of sporting events, point-of-sale advertising, and development of products specifically designed to appeal to certain demographics.

(b) Any advertising or marketing placed in broadcast, cable, radio, print, and digital communications shall only be directed where the audience is reasonably expected to be 21 years of age or older, as determined by reliable, up-to-date audience composition data.

(c) Any advertising or marketing involving direct, individualized communication or dialogue controlled by a facility operating sports wagering shall utilize a method of age affirmation to verify that the recipient is 21 years of age or older before engaging in that communication or dialogue controlled by the facility operating sports wagering. For purposes of this subdivision, that method of age affirmation may include user confirmation, birth date disclosure, or other similar registration method.

(d) A facility operating sports wagering shall not:

(1) Advertise or market sports wagering in a manner intended to encourage persons under 21 years of age to participate in sports wagering.

(2) Publish or disseminate advertising or marketing that is attractive to children.

19992. Audit for Sports Wagering Facilities

The Bureau of Gambling Control within the Department of Justice shall perform all investigatory and auditing functions provided in Sections 19826 and 19827 over facilities that operate sports wagering, unless otherwise provided in a tribal-state compact.

SEC. 5.3. Section 12012.200 is added to the Government Code, to read:

12012.200. Compensation for Regulatory Costs of Sports Wagering Amendments

All amendments to tribal-state gaming compacts to permit sports wagering pursuant to subdivision (f) of Section 19 of Article IV of the California Constitution shall include provisions for compensation for actual regulatory costs incurred by the state related to sports wagering in connection with the implementation and administration of tribal-state gaming compacts pursuant to the Indian Gaming Regulatory Act of 1988 (25 U.S.C. Sec. 2710(d)(4)).

SEC. 6. Amendments.

This act shall be broadly construed to accomplish its purposes. The provisions of Sections 5, 5.1, 5.2, and 5.3 may be amended so long as such amendments are consistent with and further the intent of this act by a

statute that is passed by a two-thirds vote of the members of each house of the Legislature.

SEC. 7. Severability.

The provisions of this act are severable. If any portion, section, subdivision, paragraph, clause, sentence, phrase, word, or application of this act is for any reason held to be invalid by a decision of any court of competent jurisdiction, that decision shall not affect the validity of the remaining portions of this act. The people of the State of California hereby declare that they would have adopted this act and each and every portion, section, subdivision, paragraph, clause, sentence, phrase, word, and application not declared invalid or unconstitutional without regard to whether any portion of this act or application thereof would be subsequently declared invalid.

PROPOSITION 27

This initiative measure is submitted to the people in accordance with the provisions of Section 8 of Article II of the California Constitution.

This initiative measure adds sections to the California Constitution and the Business and Professions Code; therefore, new provisions proposed to be added are printed in *italic type* to indicate that they are new.

PROPOSED LAW

SECTION 1. Title.

This measure shall be known, and may be cited, as the California Solutions to Homelessness and Mental Health Support Act.

SEC. 2. Statement of Intent and Purposes.

The people of the State of California find and declare the following:

(a) California's homelessness and mental health crises demand action. Nearly half of all unsheltered people in the country live in California, and public school data shows that more than 250,000 public school students are experiencing homelessness.

(b) Mental health disorders are among the most common health conditions faced by Californians: nearly 1 in 6 California adults experience a mental illness of some kind; 1 in 24 has a serious mental illness that makes it difficult to carry out major life activities; and 1 in 13 children has an emotional disturbance that limits participation in daily activities. With no adequate permanent funding stream, every level of government has disinvested in mental health services—leaving those in most dire need of support without help.

(c) In May 2018, the United States Supreme Court eliminated the federal prohibition on sports betting. As a result, states now have the freedom to authorize online sports betting at locations within their borders and establish regulations, consumer protections, responsible gaming measures, and taxes on online sports betting.

(d) Unregulated and untaxed online sports betting is currently happening throughout California in the illegal market without any consumer or responsible gaming protections. Leading economists and industry experts estimate the illegal market has flourished with billions of dollars bet online annually across the United States.

(e) Allowing state-regulated entities to offer responsible online sports betting that includes a comprehensive licensing process, limits online sports betting to individuals 21 years of age or older, and imposes enforcement and accountability measures will generate billions of dollars in revenue to help fight homelessness and expand mental health support in California.

(f) Safe, legal online sports betting that allows people who are 21 years or older to enjoy sports betting over the internet and on mobile devices should require online sports betting operators to put in place age verification and information-sharing technologies that have been proven effective in other states at preventing minors from participating and to impose penalties and fines for violations.

(g) Safe and legal online sports betting should be regulated by the Department of Justice to ensure minors and children are protected, the integrity of sporting events is maintained, and operators are properly licensed. Smart technologies and information-sharing amongst sports leagues, online sports betting operators, and the department should be employed to protect minors and maintain sports integrity.

(h) Online sports betting requires the expertise of entities with significant experience operating online sports betting platforms in other states and territories of the United States. Therefore, gaming tribes should be given the option of offering state-regulated online sports betting to individuals who make bets while physically present in this state but outside of Indian lands; qualified online sports betting platform providers should be able to offer their products and services to gaming tribes; and qualified gaming entities that have a market access agreement with a gaming tribe should be permitted to offer online sports betting in this state.

(i) The legal market for online and in-person sports betting must be operated by persons and entities with the ability to protect consumers, prevent minors from accessing sports betting, promote and preserve responsible play, and facilitate a marketplace that responsibly maximizes revenue to accomplish the public policy purposes of this act. This act imposes minimum qualifications that such persons and entities must satisfy before they may offer online sports betting in the State of California.

(j) Online and in-person sports betting are complementary and supplementary to each other. They can be offered concurrently in California in order to maximize the amount of tax revenue generated.

SEC. 3. Section 19.5 is added to Article IV of the California Constitution, to read:

SEC. 19.5. Notwithstanding any contrary provision of this Constitution or any other law:

(a) A gaming tribe, an online sports betting platform provider with an operating agreement with a gaming tribe, or a qualified gaming entity with a market access agreement with a gaming tribe may offer, conduct, or operate online sports betting over the internet and on mobile devices to persons aged 21 years or older physically present anywhere in this State but outside of Indian lands of a federally recognized Indian tribe.

(b) (1) Online sports betting shall only be offered, conducted, or operated in this State but outside of Indian lands as specifically set forth in Chapter 4.7 (commencing with Section 19750) of Division 8 of the Business and Professions Code.

(2) The implementation and administration of this section shall be governed by Chapter 4.7 (commencing with Section 19750) of Division 8 of the Business and Professions Code, the provisions of which are hereby expressly authorized and required by this section of the Constitution.

(c) Online sports betting shall not be permitted on youth sports events.

(d) (1) The taxes imposed by Article 8 (commencing with Section 19775) of Chapter 4.7 of Division 8 of the Business and Professions Code shall be in lieu of and preempt all other existing or future state and local taxes imposed on any of the following:

(A) An online sports betting operator in its capacity as an online sports betting operator.

(B) The offering, conduct, or operation of online sports betting.

(C) The revenues or income generated from online sports betting.

(2) Notwithstanding paragraph (1), this subdivision does not prohibit the imposition of a tax where all of the following apply:

(A) The tax is generally applicable to a broad range of businesses, business activity, conduct, property, or products.

(B) The tax does not establish or rely on a classification related to or involving any of the following:

(i) Online sports betting operators.

(ii) The offering, conduct, or operation of online sports betting.

(iii) The revenues or income from online sports betting.

(C) The tax is applied in a manner that avoids additional taxation of the operation of, or revenues or income generated by, online sports betting.

(e) Any word or phrase appearing in this section that also appears in Article 13 (commencing with

Section 19794) of Chapter 4.7 of Division 8 of the Business and Professions Code shall be defined by those statutory definitions.

(f) This section shall take effect on the next January 1 following its approval by the people of the State of California.

SEC. 4. Chapter 4.7 (commencing with Section 19750) is added Division 8 of the Business and Professions Code, to read:

CHAPTER 4.7. ONLINE SPORTS BETTING

Article 1. California Online Sports Betting Trust Fund

19750. California Online Sports Betting Trust Fund

(a) The California Online Sports Betting Trust Fund is hereby established in the State Treasury.

(b) Notwithstanding any other provision of law, the fund, and every account within the fund, is hereby declared to be a trust fund.

(c) Except as provided in Sections 16310 and 16381 of the Government Code, as those sections read on January 1, 2018, moneys in the fund shall not be borrowed, loaned, or otherwise transferred to the General Fund or other fund in the State Treasury. Moneys deposited into the fund, and any account within the fund, including any interest earned thereon, shall only be used for the specific purposes set forth in this chapter. No action shall be taken that permanently or temporarily changes the status of the fund as a trust fund, or borrows, diverts, or appropriates the moneys in the fund in a manner inconsistent with this chapter.

(d) After deducting and transferring the necessary moneys pursuant to paragraph (2) of subdivision (c) of Section 19751 and repaying the loan authorized by Section 19784, the Controller shall annually allocate and transfer the remaining moneys in the fund to the following accounts, in the following amounts:

(1) (A) Eighty-five percent to the California Solutions to Homelessness and Mental Health Support Account, which is hereby created in the fund. As set forth in this paragraph, moneys in the account shall be appropriated pursuant to Section 12 of Article IV of the California Constitution for the purpose of delivering permanent and interim housing, including rental assistance, supportive services, and operating subsidies or reserves for these purposes.

(i) Moneys in the account shall be made available to cities, cities and counties, counties, and continuums of care according to the same allocation formula for the most recent fiscal year used to distribute moneys to those entities under the Homelessness Housing, Assistance, and Prevention program established in Chapter 6 (commencing with Section 50216) of Part 1 of Division 31 of the Health and Safety Code (HHAP law), or any successor statute.

(ii) Moneys appropriated from the account shall be provided to cities, cities and counties, counties, and continuums of care with the same accountability and

reporting requirements as established in the HHAP law, or any successor statute.

(iii) Moneys appropriated from the account may be further restricted to advancing the state's goals of improving outcomes for people experiencing homelessness who need access to mental health, substance use disorder treatment, and service-enhanced housing.

(B) Moneys in the account, or a portion thereof, may be committed to the repayment of revenue bond indebtedness. The proceeds of those revenue bonds shall be used solely and exclusively in furtherance of the purposes described in subparagraph (A). No moneys in the account shall ever be committed to the repayment of general obligation bonds.

(C) Notwithstanding subparagraph (A), a portion of the moneys in the account may also be appropriated for mental health treatment programs under Chapter 8 (commencing with Section 4369) of Part 3 of Division 4 of the Welfare and Institutions Code.

(D) Moneys allocated pursuant to this paragraph shall be used to increase and enhance the purposes described in subparagraphs (A) and (C), and not to replace any other existing revenues for those purposes, including, but not limited to, existing revenue sources that support the HHAP law. The state and recipient cities, cities and counties, counties, and continuums of care bear the burden of proving by clear and convincing evidence that the moneys allocated pursuant to this paragraph are not being used to supplant preexisting revenues.

(E) (i) Except as provided in clause (ii), not more than 40 percent of the moneys in the account shall be appropriated or used for interim housing.

(ii) In any fiscal year in which moneys appropriated for the HHAP law are equal to, or greater than, the amount appropriated for that purpose during the 2021–22 fiscal year, the restriction in clause (i) shall not apply.

(2) (A) Fifteen percent to the Tribal Economic Development Account, subject to subparagraph (B).

(B) In the event that Section 19769 is found by a court of competent jurisdiction to be unenforceable in whole or in part under state or federal law, then the moneys described in subparagraph (A) shall instead be allocated and transferred by the Controller to the California Solutions to Homelessness and Mental Health Support Account.

(e) (1) Moneys shall be appropriated from the fund pursuant to Section 12 of Article IV of the California Constitution in order to cover the operational expenses incurred by the division and the department in carrying out this chapter. The annual appropriation for the division and the department shall be clearly sufficient to ensure that the division is adequately staffed, that online sports betting is adequately regulated, and that the purposes of this chapter are being faithfully carried into effect.

(2) Of the moneys appropriated pursuant to this subdivision, 85 percent shall be drawn from the California Solutions to Homelessness and Mental Health Support Account and 15 percent shall be drawn from the Tribal Economic Development Account.

19751. California Online Sports Betting Trust Fund Oversight and Accountability

(a) The people of the State of California hereby declare their unqualified intent for the revenues generated by this chapter to be used to support the purposes set forth in Section 19750 without delay or interruption. The purpose of this section is to provide oversight and accountability mechanisms to guarantee that the people's intent is carried out.

(b) The Attorney General or local district attorney shall expeditiously investigate, and may seek civil or criminal penalties for, any misuse, or unauthorized use, of moneys deposited into, or appropriated from, the California Online Sports Betting Trust Fund or any account within the fund.

(c) (1) The nonpartisan California State Auditor shall conduct a biennial independent financial audit of the programs receiving moneys from the fund. The California State Auditor shall report its findings to the Governor and both houses of the Legislature, and shall make the findings available to the public on its internet website.

(2) (A) The California State Auditor shall be reimbursed from moneys in the fund for actual costs incurred in conducting the biennial audits required by this subdivision, in an amount not to exceed six hundred thousand dollars (\$600,000) per audit.

(B) The six hundred thousand dollar (\$600,000) per audit maximum limit shall be adjusted decennially to reflect any increase in inflation as measured by the Consumer Price Index for All Urban Consumers (CPI-U). The Treasurer's office shall calculate and publish the adjustments required by this subparagraph.

(d) (1) If any challenge to invalidate an action that violates the use of moneys allocated or appropriated pursuant to this chapter, as specified in this chapter, is successful either by way of a final judgment, settlement, or resolution by judicial, administrative, or legislative action, there is hereby continuously appropriated from the General Fund to the Controller, without regard to fiscal years, that amount of money necessary to restore the California Online Sports Betting Trust Fund, or account within the fund, to its financial status had the unlawful action not been taken.

(2) Interest calculated at the Pooled Money Investment Account rate from the date or dates the moneys were unlawfully used shall accrue to the amounts required to be restored pursuant to this section. Within 30 days from the date a challenge is successful, the Controller shall make the transfer required by the continuous appropriation set forth in

paragraph (1) and issue a notice to the parties that the transfer has been completed.

(3) If in any challenge brought pursuant to this section a restraining order or preliminary injunction is issued, the plaintiffs or petitioners shall not be required to post a bond obligating the plaintiffs or petitioners to indemnify the government defendants or the State of California for any damage the restraining order or preliminary injunction may cause.

(e) (1) Every four years, the Controller shall conduct a performance audit of efforts and programs funded with moneys from the California Solutions to Homelessness and Mental Health Support Account to ensure the moneys are disbursed and expended solely according to this chapter and shall report the Controller's findings to the Governor, the Legislature, and the public.

(2) Money in the California Solutions to Homelessness and Mental Health Support Account may be appropriated pursuant to Section 12 of Article IV of the California Constitution in order to reimburse the Controller for the cost of conducting the audits required by this subdivision. If moneys are appropriated from that account for this purpose, the amount shall not exceed the dollar limit described in paragraph (2) of subdivision (c).

19751.5. Tribal Economic Development Account

(a) The Tribal Economic Development Account is hereby created in the California Online Sports Betting Trust Fund.

(b) (1) Notwithstanding Section 13340 of the Government Code or any other law, all moneys deposited in the Tribal Economic Development Account, together with any interest earned thereon, are hereby continuously appropriated, without regard to fiscal years, to federally recognized Indian tribes in California that do not have any of the following:

(A) A tribal operator license.

(B) An operating agreement with an online sports betting platform provider.

(C) A market access agreement with a qualified gaming entity.

(2) Commencing not sooner than one year after the effective date of this chapter, the Controller shall transfer revenues in the Tribal Economic Development Account to Indian tribes described in paragraph (1). The transfers shall be made pursuant to the procedures adopted pursuant to subdivision (c).

(c) The division shall, in consultation with the California Gambling Control Commission and the office of the Governor's Tribal Advisor, adopt a regulation establishing a formula for allocating moneys in the Tribal Economic Development Account amongst Indian tribes described in paragraph (1) of subdivision (b). The formula shall, at a minimum, provide the method of allocation and a schedule for payments to be made.

(d) Moneys received by Indian tribes pursuant to this section may be used to support, improve, and expand tribal government, public health, education, infrastructure, economic development, and employment opportunities.

Article 2. Protection of Minors and Consumers

19752. Minors Prohibited from Engaging in Online Sports Betting

(a) A person under 21 years of age shall not do any of the following:

(1) Either personally or through an agent place, or collect winnings from, bets on any sporting event.

(2) Present or offer to any online sports betting operator, or any agent of that operator, any written, printed, or photostatic evidence of age and identity that is false, fraudulent, or not actually their own for the purpose of placing a bet on a sporting event.

(3) Open, maintain, or use in any way an online sports betting account or make or attempt to make an online sports bet.

(b) A person shall not knowingly do either of the following:

(1) Accept or redeem a bet placed by, or offer to accept or redeem a bet on behalf of, a person known to be under 21 years of age.

(2) Allow a person known to be under 21 years of age to open, maintain, or use in any way an online sports betting account or make an online sports bet.

(c) A person who violates this section shall be subject to penalties imposed by the division as set forth in Section 19781. A person holding a license under this chapter who violates this section shall be subject to further administrative discipline imposed by the division.

19753. Consumer Protections and Requirements

(a) An online sports betting operator shall use commercially reasonable efforts to verify that a person placing, making, or initiating a bet on a sporting event is of the legal minimum age for placing that bet.

(b) An online sports betting operator shall display on its internet website and mobile application a statement that it is illegal for a person under 21 years of age to engage in online sports betting in this state.

(c) An online sports betting operator shall display a link on its online sports betting platform to an internet webpage or mobile application screen dedicated to responsible gaming, that shall include all of the following:

(1) Tools for imposing voluntary self-restrictions on betting activity.

(2) A prominent message stating "If you or someone you know has a gambling problem and wants help, call 1-800-GAMBLER," or similar message.

(3) A link to an appropriate organization that provides information regarding responsible gaming.

(d) An online sports betting operator shall implement responsible gaming programs that include providing commercially reasonable training to employees with respect to identifying and responding to signs of problem gaming.

19754. Voluntary Restrictions on Betting Activity

(a) An online sports betting operator shall allow individuals to voluntarily exclude themselves from placing bets with the operator, and shall use commercially reasonable efforts to prevent self-excluded individuals from placing bets.

(b) The division shall establish a process through which individuals may submit requests to be excluded from sports betting with all online sports betting operators. The division shall maintain a list of individuals who have self-excluded from placing bets on sporting events and shall make the list accessible to all online sports betting operators.

(c) Any bets placed by an individual prior to self-exclusion shall be permitted to settle and shall not be required to be cancelled.

19755. Online Sports Betting Operator Advertisements

(a) An online sports betting operator shall:

(1) Use commercially and technologically reasonable means to ensure marketing and advertisements do not purposefully target individuals who have self-excluded from placing bets on sporting events.

(2) Employ commercially reasonable methods to ensure that advertisements for online sports betting:

(A) Do not purposefully target minors, other persons who are ineligible to place bets, or self-excluded individuals.

(B) Disclose the identity of the online sports betting operator.

(C) Provide information about, or links to, resources relating to problem gaming.

(D) Are not false, misleading, or deceptive to a reasonable consumer.

(E) Clearly and conspicuously disclose the material terms of any offer of free or promotional credits. Online advertisements may satisfy this paragraph by containing a hyperlink that takes the viewer directly to the material terms.

(3) Maintain a copy of all advertisements to consumers in this state for no less than three years.

(b) An online sports betting operator shall not be required to obtain prior division review or approval of any advertisement or promotion.

(c) An operator applicant may engage in prelaunch marketing that clearly discloses the operator applicant is not currently offering, conducting, or operating online sports betting in this state.

(d) No limit shall be placed on the type or amount of free bets or promotional credits offered or issued by an online sports betting operator.

19756. Conduct of Online Sports Betting

(a) Each online sports betting operator shall adopt house rules for game play governing online sports betting transactions with its customers. The rules shall include, at a minimum, all of the following:

(1) The method for calculating and paying winning bets.

(2) The effect on bets, if any, of sports event schedule changes.

(3) The method of notifying consumers of odds changes.

(4) The method of contacting the online sports betting operator for purposes of seeking assistance or lodging complaints.

(5) A description of persons prohibited from placing bets on specific sporting events based upon their association with a sports governing body, sports league, team, or sports event.

(6) The methods of funding an online sports betting account.

(7) The circumstances under which an online sports betting operator may void a bet in its discretion, including obvious errors, and the method for notifying consumers that a bet has been voided.

(b) Customers may establish online sports betting accounts with an online sports betting operator in both of the following ways:

(1) Over the internet, including on mobile devices.

(2) In person at locations approved by the division, if offered by the online sports betting operator.

(c) A customer shall not register more than one account with each online sports betting platform. Online sports betting operators shall use commercially reasonable means to ensure that each customer is limited to one account per platform.

(d) An online sports betting operator may permit account holders to deposit funds into, and withdraw funds from, online sports betting accounts over the internet, including on mobile devices. Permissible methods of funding and withdrawal include, but are not limited to, credit cards, debit cards, gift cards, reloadable prepaid cards, free and promotional credit, automated clearing house transfers, online and mobile payment systems that support online money transfers, and wire transfers. The division may approve additional funding and withdrawal methods, including, but not limited to, cash deposits at approved locations and secure cryptocurrencies.

(e) Each online sports betting operator shall use commercially reasonable geolocation and geofencing technology to ensure that it accepts bets only from customers who, at the time of placing the bet, are physically present in this state but not physically present on Indian lands.

(f) Each online sports betting operator shall determine and display applicable lines, point spreads, odds, or other information pertaining to online sports betting.

The division shall not specify the manner in which the lines, point spreads, or odds are determined and shall not require that information to be publicly disclosed. The division shall not set or require a minimum or maximum hold rate.

(g) (1) An online sports betting operator shall maintain in this state, or any other location approved by the division and consistent with federal law, the computer server or servers used to receive transmissions of requests to place bets and that transmit confirmation of acceptance of bets on sports events placed by customers physically present in this state but outside of Indian lands.

(2) All bets authorized under this chapter must be initiated, made, or otherwise placed by a bettor while physically present within this state but outside of Indian lands.

(3) The intermediate routing of electronic data related to lawful intrastate bets authorized under this chapter shall not determine the location or locations in which the bet is initiated, transmitted, received, or otherwise made.

19757. Risk Management

(a) An online sports betting operator that is licensed to offer sports betting, whether in person or online, in this state and one or more other states or territories of the United States may pool liquidity from all those states and territories.

(b) An online sports betting operator may employ systems that offset loss or manage or lay off risk in the offering, conduct, or operation of online sports betting.

(c) The systems described in subdivision (b) include, but are not limited to, liquidity pools and exchanges or similar mechanisms with other states or territories of the United States where the online sports betting operator is licensed to offer, conduct, or operate sports betting, whether in person or online.

(d) An online sports betting supplier that is licensed to offer sports betting, whether in person or online, in this state and one or more other states or territories of the United States may employ the systems described in this section on behalf of an online sports betting operator.

(e) An online sports betting operator, or an online sports betting supplier acting on behalf of an online sports betting operator, shall at all times ensure sufficient funds are available to pay registered players in any liquidity pool.

Article 3. Protection of Sports Integrity

19758. Maintaining the Integrity of Sporting Events

An online sports betting operator shall employ commercially reasonable methods to do all of the following:

(a) Prohibit the online sports betting operator's directors, officers, principal owners, and employees, and any relative living in the same household as those

persons, from placing bets with that online sports betting operator.

(b) (1) Prohibit the following persons from placing a bet on any sporting event under the authority of their sports league: athletes, coaches, referees, principal owners of teams, sports league members, and officials of unions that represent athletes or referees.

(2) In determining which persons are excluded from placing bets on specific sporting events under this subdivision, an online sports betting operator shall rely solely and exclusively on lists of those persons that sports leagues may provide to the division. The division shall disseminate those lists to online sports betting operators.

(c) Prohibit any known individual with access to nonpublic confidential betting information held by the online sports betting operator from placing bets with that operator.

(d) (1) Maintain the security of betting data, customer data, and other confidential information from unauthorized access and dissemination.

(2) Notwithstanding paragraph (1), nothing in this chapter shall preclude the use of internet or cloud-based hosting of data and information, or the disclosure of data or information as required by law or court order.

(e) Conduct background checks on employees who have not previously undergone a background check during the course of their employment with the online sports betting operator. Background checks shall search for criminal history, including any charges or convictions involving corruption or manipulation of sporting events and association with organized crime.

19759. Abnormal Betting and Other Suspicious Activity

(a) The department shall have primary responsibility for conducting, or assisting the division in conducting, investigations into abnormal betting activity, match fixing, and other conduct that corrupts a betting outcome of a sporting event or events for purposes of financial gain.

(b) The division and online sports betting operators shall use commercially reasonable efforts to cooperate with investigations conducted by sports governing bodies or law enforcement agencies. These efforts shall include, but are not limited to, using commercially reasonable efforts to provide, or arrange the providing of, betting information.

(c) (1) An online sports betting operator shall, as soon as practicable, report to the division any information relating to:

(A) Criminal or material disciplinary proceedings commenced against the online sports betting operator by this state, another state or territory of the United States, or the United States, in connection with its operations.

(B) Abnormal betting activity or patterns that may indicate a concern with the integrity of a sporting event or events.

(C) Any other conduct that corrupts a betting outcome of a sporting event or events for purposes of financial gain, including match fixing.

(D) Suspicious or illegal betting activities if known to the operator, including, but not limited to, use of funds derived from illegal activity, bets to conceal or launder funds derived from illegal activity, using agents to place bets, or using false identification. Nothing herein shall require the disclosure of suspicious activity reports made pursuant to and deemed to be confidential under federal law.

(2) An online sports betting operator shall implement commercially reasonable internal controls designed to identify the activities described in this subdivision.

(3) The information described in subparagraphs (B) and (C) of paragraph (1) shall be reported by an online sports betting operator as soon as practicable and simultaneously to the relevant sports governing body and the division.

(d) The division and online sports betting operators shall maintain the confidentiality of information provided by a sports governing body for purposes of investigating or preventing the activities described in subparagraphs (B) and (C) of paragraph (1) of subdivision (c), unless the disclosure is consented to by the sports governing body or is required by state law, the division, or court order.

19759.5. Restrictions on Betting Requested by Sports Governing Bodies

(a) A sports governing body may submit to the division a written request, in a form prescribed by the division, to restrict, limit, or exclude a certain type, form, or category of online sports betting with respect to a covered sporting event of the sports governing body, if the sports governing body believes that the type, form, or category of online sports betting with respect to the covered sporting event of the sports governing body may undermine the integrity or perceived integrity of the body or covered sporting events of that body.

(b) The division shall request comment from online sports betting operators on all requests made pursuant to this section. After giving due consideration to all comments received, the division shall, upon a demonstration of good cause from the requestor that the type, form, or category of sports betting is likely to undermine the integrity or perceived integrity of the body or sporting events of that body, grant the request.

(c) (1) The division shall respond to a request concerning a covered sporting event before the start of the event, or, if it is not feasible to respond before the start of the event, no later than 7 days after the request is made.

(2) If the division determines that the requestor is more likely than not to prevail in successfully demonstrating good cause for its request, the division

may provisionally grant the request of the sports governing body pending the division's final determination thereon. Unless the division provisionally grants the request, online sports betting operators may continue to offer sports betting and accept bets on the covered sporting event pending a final determination by the division.

19760. Records of Bets

(a) Online sports betting operators shall maintain records of all bets placed, including personally identifiable information of the bettor, amount and type of bet, time the bet was placed, location of the bet, including Internet Protocol (IP) address if applicable, the outcome of the bet, and records of abnormal betting activity for three years after the sporting event occurs. If a video recording of the transaction is created, it shall be maintained for at least one year from the date the sporting event occurred. Online sports betting operators shall make that data available for inspection upon request of the division or as required by court order.

(b) Online sports betting operators shall use commercially reasonable efforts to maintain in real time and at the account level, anonymized information regarding a bettor, amount and type of bet, the time the bet was placed, the location of the bet, including the IP address if applicable, the outcome of the bet, and records of abnormal betting activity. The division may request that information in the form and manner as required by rule of the division. Nothing in this subdivision shall require an online sports betting operator to provide any information that is prohibited by federal, state, or local laws or regulations, including, without limitation, laws and regulations relating to privacy and personally identifiable information.

(c) If a sports governing body has notified the division that access to the information described in subdivision (a) for bets placed on sporting events of that sports governing body is necessary to monitor the integrity of that body's sporting events, and represents to the division that it specifically uses such data for the purpose of monitoring the integrity of sporting events of that sports governing body, then online sports betting operators shall share, in a commercially reasonable frequency, form, and manner, with the sports governing body or its designee(s) the same information the online sports betting operator is required to maintain under subdivision (b) with respect to bets on sporting events of that sports governing body. Sports governing bodies and their designees may only use information received under this section for integrity-monitoring purposes and may not use information received under this section for any commercial or other purpose. Nothing in this section shall require an online sports betting operator to provide any information that is prohibited by federal, state, or local laws or regulations, including, without limitation, laws and regulations relating to privacy and personally identifiable information.

19761. *Permissible Online Sports Betting Types and Events*

(a) (1) The division shall maintain in real time a publicly accessible list of sports events, sports leagues, and bet types that are authorized for online sports betting pursuant to this chapter.

(2) An online sports betting operator may accept bets on sports events, sports leagues, and bet types appearing on the list.

(3) An online sports betting operator may submit a written request to the division seeking additional sporting events, sports leagues, or bet types to be added to the list maintained pursuant to this section.

(b) The division shall consider the following factors when making determinations on requests submitted pursuant to paragraph (3) of subdivision (a):

(1) Whether the outcome of the sporting event or bet type can be verified.

(2) Whether the outcome of the sporting event may be affected by any bet type placed.

(3) Whether the sporting event is conducted in conformity with all applicable laws.

(c) No bets shall be authorized or allowed upon any of the following with respect to sporting events:

(1) The occurrence of injuries or penalties.

(2) The outcome of player discipline rulings.

(3) The outcome of replay reviews.

(d) (1) The division shall approve or deny a request made pursuant to paragraph (3) of subdivision (a) within five business days of receipt of the request.

(2) The division shall make good faith efforts to issue a determination in advance of the next opportunity for bets to be offered or accepted on the sporting event, sports league, or bet type subject to the request if the online sports betting operator makes the request at least three business days in advance thereof. If the request is approved, the sporting event, sports league, or bet type shall be added without delay to the list maintained pursuant to paragraph (1) of subdivision (a).

(3) If the division does not communicate its determination to the online sports betting operator within five business days of receipt of the request, then both of the following shall apply:

(A) The online sports betting operator shall be permitted to offer betting on the next occurrence of the sporting event, sports league, or bet type after expiration of the five-business-day deadline.

(B) The division shall add without delay the sporting event, sports league, or bet type to the list maintained pursuant to paragraph (1) of subdivision (a).

(e) If a sports event or sports league has been generally authorized by the division pursuant to this section, an online sports betting operator may accept bets on all sports events of the kind generally conducted by that sports league.

Article 4. *Online Sports Betting Operators*

19762. *Online Sports Betting Authorized*

(a) Online sports betting is hereby authorized to be offered, conducted, or operated in this state consistent with this chapter and Section 19.5 of Article IV of the California Constitution.

(b) Online sports betting shall only be offered, conducted, or operated in this state pursuant to an online sports betting operator license issued by the division to a gaming tribe, an online sports betting platform provider with an operating agreement with a gaming tribe, or a qualified gaming entity with a market access agreement with a gaming tribe.

(c) No person may engage in any activity in connection with online sports betting in this state unless all necessary licenses or temporary licenses have been obtained pursuant to this chapter and the rules and regulations of the division.

(d) An online sports betting operator license issued pursuant to this chapter does not entitle the license holder to accept any bet from a person who is physically present on Indian lands when the bet is made or initiated.

19763. *Online Sports Betting Operator Licenses*

(a) A license shall be obtained by each online sports betting operator as provided in this chapter.

(b) (1) An online sports betting operator license may be applied for in the following ways:

(A) By a gaming tribe (a "tribal application"). Under a tribal application, the gaming tribe is the operator applicant. If the application is approved, the online sports betting operator license shall be issued to the gaming tribe (a "tribal operator license").

(B) By a qualified gaming entity (a "qualified gaming entity application"). Under a qualified gaming entity application, the qualified gaming entity shall be the operator applicant. If the application is approved, the online sports betting operator license shall be issued to the qualified gaming entity (a "qualified gaming entity operator license").

(C) By an online sports betting platform provider (an "online sports betting platform provider application"). Under an online sports betting platform provider application, the online sports betting platform provider shall be the operator applicant. If the application is approved, the online sports betting operator license shall be issued to the online sports betting platform provider (an "online sports betting platform provider operator license").

(2) No person may obtain an online sports betting operator license pursuant to this section except a gaming tribe, a qualified gaming entity, or an online sports betting platform provider.

(3) Beyond the express requirements of this chapter, the division may specify additional information required to be submitted as part of a tribal application,

qualified gaming entity application, or an online sports betting platform provider application.

(c) (1) An operator applicant shall submit an application to the division in the manner prescribed by the division together with an application fee of one hundred fifty thousand dollars (\$150,000).

(2) (A) The application fee in paragraph (1) shall cover up to 2,000 hours of division professional staff time expended on matters directly related to the application.

(B) The operator applicant shall reimburse the division for any additional hours required to process the application at the hourly rate for human resource services used by the Contracted Human Resources unit of the Office of Human Resources within the Department of General Services, as set forth in that department's Price Book.

(3) In no event shall the combined total amount paid by an operator applicant pursuant to this subdivision exceed two hundred fifty thousand dollars (\$250,000).

(d) In determining whether to approve an operator applicant's application to become an online sports betting operator, the division may request from the operator applicant, and consider, any or all of the following information:

(1) Whether the operator applicant has adequate capitalization and the financial ability to responsibly pay its secured and unsecured debts in accordance with its financing agreements and other contractual obligations.

(2) Whether the operator applicant has a history of material noncompliance with sports betting licensing requirements of this state, any other state or territory of the United States, or the United States, where the noncompliance resulted in a material enforcement action by the government agency with authority over the operator applicant.

(3) Whether the operator applicant or any key person of the operator applicant has been indicted for, charged with, arrested for, convicted of, pleaded guilty or nolo contendere to, or forfeited bail concerning, any misdemeanor or felony criminal offense under the laws of this state, any other state or territory of the United States, or the United States, except for traffic violations.

(4) Whether the operator applicant has filed, or had filed against it, a proceeding for bankruptcy or has ever been involved in any formal process to adjust, defer, suspend, or otherwise work out the payment of any debt.

(5) Whether the operator applicant has a history of material noncompliance with any regulatory requirements of this state, any other state or territory of the United States, or the United States, where the noncompliance resulted in material enforcement actions by the government agency with authority over the operator applicant.

(e) Upon approval by the division, and payment of an initial license fee as provided in subdivision (f), the division shall issue the online sports betting operator license, which shall expire five years from the date of issuance.

(f) Upon notice by the division that it has approved the application for an online sports betting operator license, and before issuance of the license, the operator applicant shall pay an initial license fee to the division as follows:

(1) The initial fee for a tribal operator license or online sports betting platform provider operator license shall be ten million dollars (\$10,000,000).

(2) The initial fee for a qualified gaming entity operator license shall be one hundred million dollars (\$100,000,000).

(g) As part of an operator applicant's application, the division may identify and require applications from specified key persons of the operator applicant as provided in Article 7 (commencing with Section 19774).

(h) (1) An online sports betting operator license authorizes the holder of the license to operate one online sports betting platform, subject to the branding provisions set forth in paragraph (2) of subdivision (i).

(2) (A) A person holding an online sports betting operator license may act as an online sports betting platform provider, provided that the person has:

(i) Submitted the documentation required by Section 19767 for online sports betting platform providers.

(ii) Paid an initial license fee pursuant to paragraph (1) of subdivision (f) for each gaming tribe for which it is an online sports betting platform provider.

(B) An online sports betting platform provider shall not provide any service described within the definition of "online sports betting platform provider" to any gaming tribe other than as provided in this subdivision.

(i) (1) (A) Where a gaming tribe is issued a tribal operator license, the gaming tribe shall operate the online sports betting platform only under the gaming tribe's own name or, if the tribe became a gaming tribe on or before July 1, 2021, a trademark owned by the gaming tribe as of July 1, 2021.

(B) If a tribe becomes a gaming tribe after July 1, 2021, the gaming tribe shall operate any online sports betting platform only under the gaming tribe's own name.

(2) Where a qualified gaming entity is issued a qualified gaming entity operator license, it may operate its online sports betting platform under one of the following names, chosen at the discretion of the qualified gaming entity:

(A) The name, trade name, licensed trademark, or assumed business name of the qualified gaming entity.

(B) The name, trade name, licensed trademark, or assumed business name of an affiliate of the qualified gaming entity.

(C) The name of the gaming tribe with which the qualified gaming entity has a market access agreement.

(D) If the tribe with which the qualified gaming entity has a market access agreement became a gaming tribe on or before July 1, 2021, a trademark owned by the gaming tribe as of July 1, 2021.

(E) Any combination of the names described in subparagraphs (A) to (D), inclusive.

(3) Where an online sports betting platform provider is issued an online sports betting platform provider operator license, the online sports betting platform provider shall operate, or facilitate or support the operation of, the online sports betting platform only under a name permitted under subparagraph (A) or (B) of paragraph (1) of this subdivision for use by the gaming tribe to which the online sports betting platform provider is providing services pursuant to an operating agreement.

19764. Temporary Online Sports Betting Operator Licenses

(a) The division shall issue a temporary online sports betting operator license to any operator applicant if all of the following conditions are satisfied:

(1) The operator applicant has submitted an application pursuant to Section 19763.

(2) The operator applicant satisfies the conditions of paragraph (1) or (2) of subdivision (ag) of Section 19794.

(3) The operator applicant pays the initial license fee as set forth in subdivision (f) of Section 19763.

(b) (1) Within 30 days of receiving a request for a temporary license, the division shall issue the temporary online sports betting operator license to an operator applicant that satisfies the requirements of subdivision (a). The temporary license shall expire two years from the date it is issued or on the date the division issues a license to the operator applicant pursuant to Section 19763, whichever occurs first.

(2) A temporary license issued pursuant to this section entitles a person to immediately engage in all activities that may be undertaken by a person holding a license issued pursuant to Section 19763.

(c) If the division fails to make a final determination on the application submitted pursuant to Section 19763 within the initial two-year period of temporary licensure, then the temporary license shall be extended in two-year increments or until a final determination is made, whichever occurs first.

19765. Online Sports Betting Platform Testing

(a) If the division imposes a testing requirement for online sports betting platforms, it shall accept either of the following test results for the online sports betting platform in lieu of a new test, if issued not

more than 180 days before the date the relevant application is submitted pursuant to this article or Article 6 (commencing with Section 19771):

(1) A satisfactory result issued by an independent testing laboratory, if the laboratory has been approved to conduct that testing by the division or a state or territory of the United States.

(2) A satisfactory result issued by a state or territory of the United States.

(b) This section shall apply to online sports betting operators, including online sports betting platform providers, and online sports betting suppliers.

19766. Renewal of Online Sports Betting Operator Licenses

(a) The division shall establish a process for an online sports betting operator to renew its license consistent with this section.

(b) When seeking to obtain a license renewal, an online sports betting operator shall submit to the division both of the following:

(1) All documentation or information as the division may require demonstrating that the online sports betting operator continues to meet the requirements of this chapter and the regulations of the division.

(2) A renewal application fee of fifty thousand dollars (\$50,000).

(c) If an online sports betting operator submits a renewal application to the division at least 60 days prior to the expiration of the operator's current license, then the division shall make a determination on the renewal application prior to the expiration of the current license.

(d) The division shall renew the online sports betting operator license for an additional five-year period unless the online sports betting operator's renewal application demonstrates that it will be unable to satisfy all requirements of this chapter and regulations of the division. Upon renewal of the license, the online sports betting operator shall pay a license renewal fee of one million dollars (\$1,000,000) for a tribal operator license or online sports betting platform provider operator license and ten million dollars (\$10,000,000) for a qualified gaming entity operator license.

19767. Documentation Requirements Relative to Gaming Tribes

(a) Before conducting sports betting in this state pursuant to licenses issued under this article, the person holding a qualified gaming entity operator license or an online sports betting platform provider operator license shall submit copies of an agreement between the license holder and a gaming tribe as follows:

(1) The holder of a qualified gaming entity operator license shall submit to the division a market access agreement, entered into between the qualified gaming entity and a gaming tribe, relative to the qualified

gaming entity's offering of online sports betting in this state. The terms of the market access agreement shall be determined solely by the parties to the agreement.

(2) The holder of an online sports betting platform provider operator license shall submit to the division an operating agreement, entered into between the online sports betting platform provider and a gaming tribe. The purpose of the operating agreement is to specify the allocation of rights, responsibilities, and obligations between the online sports betting platform provider and the gaming tribe to which the platform provider is providing services.

(A) The operating agreement shall be binding on the parties. Once approved by the division, material changes to the operating agreement shall not be made without the written approval of the division. The division shall issue its written response to any request for a material change to an operating agreement within 10 business days of the request.

(B) Matters that shall be specified in the operating agreement include, but are not limited to, the following:

(i) The name under which the online sports betting platform will be operated.

(ii) The profit-sharing allocation, if any, between the gaming tribe and the online sports betting platform provider.

(iii) Any other information required by the division.

(b) The division may adopt a model or template operating agreement to be used by online sports betting platform providers.

19768. Processing Online Sports Betting Operator Applications

(a) Notwithstanding any contrary provision of law, an application submitted pursuant to this article or Article 6 (commencing with Section 19771), and all documents, reports, and data submitted therewith, that contain proprietary information, trade secrets, financial information, or personal information about any person are exempt from disclosure under Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1 of the Government Code, or any successor law.

(b) When an application under this article requires a criminal background investigation for an individual, and the individual has submitted to a criminal background check in this state or any other state or territory of the United States in the previous 12 months, the individual shall not be required to submit to another criminal background check, or another submission of fingerprints, if the individual submits the results of the previous criminal background and a declaration under penalty of perjury attesting that there has been no change in the individual's criminal history in the previous 12 months.

(c) The fees set forth in this article, Article 6 (commencing with Section 19771), and Article 7 (commencing with Section 19774) shall be adjusted decennially to reflect any increase in inflation as

measured by the Consumer Price Index for All Urban Consumers (CPI-U). The Treasurer's office shall calculate and publish the adjustments required by this subdivision.

Article 5. State of California Jurisdiction Over Online Sports Betting

19769. Jurisdiction Over Online Sports Betting Retained by State of California

(a) The division shall condition the issuance, maintenance, and renewal of every tribal operator license upon the gaming tribe irrevocably consenting to all of the following:

(1) Payment of the surcharge set forth in Section 19775, and any subsequent amendments thereto.

(2) Payment of penalties for any violations of this chapter as set forth in Section 19781 and all other fees imposed pursuant to this chapter or regulations adopted thereunder.

(3) Compliance with all state laws governing online sports betting set forth in this chapter, and all regulations, rules, orders, and interpretations adopted or enforced pursuant to this chapter.

(4) Submission to the jurisdiction of the courts of this state, and any other appropriate state or federal court having jurisdiction and venue, for the limited purpose of enforcing this chapter, including all of the following:

(A) An express limited waiver of sovereign immunity, and any right to assert sovereign immunity, against this state or the division.

(B) Consenting to be sued by the State of California or the division in California state courts, and any other appropriate state or federal court having jurisdiction and venue, and to be bound by the judgments thereof, with respect to the limited purposes of paying the surcharge described in paragraph (1), paying penalties and fees described in paragraph (2), and complying with the laws, regulations, rules, orders, and interpretations described in paragraph (3).

(C) An express waiver of exhaustion of tribal remedies.

(5) Submission to the jurisdiction of the division, including, but not limited to, inspection and audit of the gaming tribe's online sports betting operations and records to ensure the protection of minors and consumers, protection of sports integrity, and full and accurate payment of the surcharge set forth in Section 19775.

(b) The division shall not issue or renew a tribal operator license unless the gaming tribe complies with this section.

19770. Limitation on State Jurisdiction Over Gaming Tribes

(a) Notwithstanding anything to the contrary in this chapter, with respect to gaming tribes, this chapter regulates only online sports betting by persons physically present anywhere in this state but outside of Indian lands.

(b) *This chapter does not extend State of California jurisdiction to the making or placing of bets by persons who are physically present on Indian lands at the time a bet is made or initiated.*

(c) *This chapter does not create or extend any State of California jurisdiction or regulatory authority over any other gaming operations of a federally recognized Indian tribe.*

Article 6. Online Sports Betting Suppliers

19771. Online Sports Betting Supplier Licenses

(a) *Online sports betting suppliers shall obtain a license pursuant to this article.*

(b) (1) *Supplier applicants shall submit an online sports betting supplier application to the division in the manner prescribed by the division together with an application fee of twenty-five thousand dollars (\$25,000).*

(2) (A) *The application fee in paragraph (1) shall cover up to 333 hours of division professional staff time expended on matters directly related to the application.*

(B) *The supplier applicant shall reimburse the division for any additional hours required to process the application at the hourly rate for human resource services used by the Contracted Human Resources unit of the Office of Human Resources within the Department of General Services, as set forth in that department's Price Book.*

(3) *In no event shall the combined total amount paid by a supplier applicant pursuant to this subdivision exceed forty thousand dollars (\$40,000).*

(c) (1) *Upon notice by the division that it has approved the application for an online sports betting supplier license, and before issuance of the license, the supplier applicant shall pay an initial license fee of one hundred thousand dollars (\$100,000) to the division.*

(2) *An online sports betting supplier license issued pursuant to this section is valid for five years from the date of issuance.*

(d) *A licensed online sports betting operator may perform any and all functions of an online sports betting supplier without obtaining a separate online sports betting supplier license.*

19772. Temporary Online Sports Betting Supplier Licenses

(a) *The division shall issue a temporary online sports betting supplier license to any supplier applicant that has submitted an application pursuant to Section 19771 and has been licensed or similarly authorized to provide substantially the same services for online sports betting in at least two other states or territories of the United States.*

(b) (1) *Within 30 days of receiving a request for a temporary license, the division shall issue the temporary online sports betting supplier license to a qualified supplier applicant. The temporary license*

shall expire two years from the date it is issued or on the date the division issues a license to the supplier applicant pursuant to Section 19771, whichever occurs first.

(2) *A temporary license issued pursuant to this section entitles a person to immediately engage in all activities that may be undertaken by a person holding a license issued pursuant to Section 19771.*

(c) *If the division fails to make a final determination on the application submitted pursuant to Section 19771 within the initial two-year period of temporary licensure, then the temporary license shall be extended in two-year increments or until a final determination is made, whichever occurs first.*

19773. Renewal of Online Sports Betting Supplier Licenses

(a) *The division shall establish a process for licensed online sports betting suppliers to renew their licenses consistent with this section.*

(b) *When seeking to obtain a license renewal, an online sports betting supplier shall submit to the division both of the following:*

(1) *All documentation or information as the division may require demonstrating that the online sports betting supplier continues to meet the requirements of this chapter and the regulations of the division.*

(2) *A renewal application fee of ten thousand dollars (\$10,000).*

(c) *If the online sports betting supplier submits a renewal application to the division at least 60 days prior to the expiration of the supplier's current license, then the division shall make a determination on the renewal application prior to the expiration of the current license.*

(d) *The division shall renew the online sports betting supplier license for an additional five-year period unless the online sports betting supplier's renewal application demonstrates that it will be unable to satisfy all requirements of this chapter and regulations of the division. Upon renewal of the license, the online sports betting supplier shall pay a license renewal fee of fifty thousand dollars (\$50,000).*

Article 7. Online Sports Betting Key Persons

19774. Key Person Licenses

(a) (1) *The division may require a key person of an online sports betting operator, operator applicant, online sports betting supplier, or supplier applicant to submit an application and obtain a license pursuant to this article.*

(2) *When key persons are required to submit applications pursuant to this article, the division shall utilize a multijurisdictional licensing form used by other states and territories of the United States, wherever possible. The director shall obtain advice from the committee regarding the most appropriate multijurisdictional licensing form to be used.*

(b) (1) The division shall issue a temporary key person license if the person holds a comparable license or similar authorization issued by another state or territory of the United States where online sports betting is legal, including authorizations where a comprehensive suitability review of the person was satisfactorily conducted in the course of licensing another entity but no formal license or similar document was issued to the person.

(2) (A) The division may accept a comparable license or similar authorization described in paragraph (1) in full satisfaction of the requirement to obtain a key person license pursuant to this article. If the division refuses to accept a comparable license or similar authorization from another state or territory of the United States, it shall provide written justification for its refusal to the person seeking licensure.

(B) Where the division refuses to accept a comparable license or similar authorization, the person seeking licensure shall have the right to appeal the division's decision to the Attorney General.

(c) For persons who do not qualify for a temporary key person license pursuant to subdivision (b), the division may issue a temporary key person license upon satisfactory completion of a criminal background check.

(d) The division may issue an online sports betting operator license or online sports betting supplier license, or a temporary version of those licenses, while a key person license application is still pending and undergoing review.

(e) (1) The division may impose a key person application fee of up to two thousand four hundred dollars (\$2,400).

(2) (A) The application fee in paragraph (1) shall cover up to 100 hours of division professional staff time expended on matters directly related to the application.

(B) The key person applicant shall reimburse the division for any additional hours required to process the application at the hourly rate for human resource services used by the Contracted Human Resources unit of the Office of Human Resources within the Department of General Services, as set forth in that department's Price Book.

(3) In no event shall the combined total amount paid by a key person applicant pursuant to this subdivision exceed ten thousand dollars (\$10,000).

(f) Prior to issuance of a key person license, the key person shall pay a license fee of seven hundred fifty dollars (\$750).

(g) A key person license shall be valid for not less than 5 years. The division may impose a renewal application fee of not more than five hundred dollars (\$500), and a renewal license fee of not more than seven hundred fifty dollars (\$750).

(h) The division shall not require licensing of any persons who are not key persons, but may require

criminal background checks of persons who are not key persons where good cause exists to do so.

Article 8. Online Sports Betting Surcharges

19775. Online Sports Betting Operator Surcharge

(a) There is hereby imposed upon each online sports betting operator a surcharge equal to 10 percent of the online sports betting operator's adjusted gross online sports betting receipts derived from the offering, conduct, or operation of online sports betting in this state. The accrual method of accounting shall be used for purposes of calculating the amount of surcharge owed by an online sports betting operator pursuant to this section.

(b) (1) The surcharge imposed pursuant to this section is due and payable to the division in monthly installments on or before the last calendar day of the month following the calendar month in which the adjusted gross online sports betting receipts were received.

(2) An online sports betting operator shall complete and submit a return for the preceding month by electronic communication to the division, on or before the last calendar day of each month, in the form prescribed by the division. The return shall provide all of the following:

(A) The sports betting operator's total gross receipts and adjusted gross online sports betting receipts from offering, conducting, or operating online sports betting during the month.

(B) The surcharge amount for which the online sports betting operator is liable.

(C) Any additional information necessary in the computation and collection of the surcharge on adjusted gross online sports betting receipts required by the division.

(3) The surcharge amount shown to be due shall be remitted by electronic funds transfer simultaneously with the filing of the return.

(c) (1) An online sports betting operator's adjusted gross online sports betting receipts for a month is a negative number when the operator's total gross receipts taken in from the bets placed by patrons is less than the sum of all of the following:

(A) All winnings paid out to patrons who placed bets on the online sports betting operator's platform.

(B) All voided bets.

(C) All excise taxes paid pursuant to federal law.

(D) The value of all merchandise or property awarded as a prize to bettors.

(2) (A) When an online sports betting operator's adjusted gross online sports betting receipts for a month is a negative number pursuant to the formula set forth in paragraph (1), the division shall allow the operator to carry over the negative amount within 12 months and deduct such amount from its surcharge liability for that month. The division may require the

negative amount to be spread across multiple months within the 12-month period.

(B) The negative amount of adjusted gross receipts may not be carried back to an earlier month and moneys previously paid to the division shall not be refunded, except if the online sports betting operator surrenders its license and the online sports betting operator's last return reported negative adjusted gross online sports betting receipts.

(d) (1) (A) An online sports betting operator may take a credit against the surcharge described in subdivision (a) equal to 20 percent of the initial license fee paid pursuant to subdivision (f) of Section 19763 in each of the first five calendar years following the issuance of an initial online sports betting operator license or temporary license.

(B) If an online sports betting operator renews its license, the sum of any credit not applied in each of the first five calendar years following the issuance of an initial online sports betting operator license or temporary license may be carried forward into the sixth and subsequent calendar years until the credit is exhausted.

(2) (A) An online sports betting operator may take a credit against the surcharge described in subdivision (a) equal to 20 percent of the renewal license fee paid pursuant to subdivision (d) Section 19766, plus any credit carried over pursuant to paragraph (1), in each of the five calendar years following renewal of an online sports betting operator license.

(B) If an online sports betting operator renews its license more than once, the sum of any credit not applied in each of the first five calendar years following its previous renewal of an online sports betting license may be carried forward into the sixth and subsequent calendar years until it is exhausted.

(3) In no event shall the amount of credit applied pursuant to this subdivision reduce below zero the amount of surcharge owed for any calendar year.

(4) The credit described in this subdivision can be taken against one or more monthly installments made pursuant to subdivision (b), so long as the total amount of credit taken does not exceed the limits set forth in paragraphs (1) and (2).

(e) The following shall be promptly transferred from the division to the Controller for deposit into the fund:

(1) Proceeds of the surcharge imposed pursuant to this section.

(2) The fees and costs required by subdivisions (c) and (f) of Section 19763, subdivisions (b) and (d) of Section 19766, subdivisions (b) and (c) of Section 19771, and subdivisions (b) and (d) of Section 19773.

(3) Any amounts paid pursuant to Section 19774.

(f) If requested by the division, an online sports betting operator shall agree to engage an independent firm of certified public accountants approved by the division to perform an annual audit in order to ensure

that the surcharge imposed by this section is being accurately calculated and paid.

19776. Surcharge on Bets Made Through Illegal or Tax-Exempt Online Sports Betting Platforms

(a) (1) A tax is hereby imposed upon a bettor for the privilege of placing or making, while physically present in this state but outside of Indian lands, a bet on or through an illegal or tax-exempt online sports betting platform. The rate of tax shall be 15 percent of the dollar amount bet on or through the illegal or tax-exempt online sports betting platform.

(2) The people of the State of California hereby declare that the character of the tax imposed by this section, based upon its incidents and from its natural and legal effect, is an obligation upon the person placing or making the bet at the location where the individual is physically present when the bet is made or initiated, and not an obligation upon the owner or operator of the illegal or tax-exempt online sports betting platform.

(b) The division may adopt any regulation and take any action necessary or convenient for the implementation and enforcement of this section. The regulations may include, but are not limited to, all of the following:

(1) Requiring individuals placing or making a bet on or through an illegal or tax-exempt online sports betting platform to register with the division prior to making or placing that bet.

(2) Requiring owners, operators, or agents of an illegal or tax-exempt online sports betting platform to disclose the names of persons who make or place a bet on or through the illegal or tax-exempt online sports betting platform while physically present in this state but outside of Indian lands.

(3) (A) Taking any and all legal actions against an owner, operator, business partner, or agent of an illegal or tax-exempt online sports betting platform that refuses to disclose names of bettors pursuant to paragraph (2), in order to compel the disclosure of the names sought.

(B) Actions may include blocking access to the internet website or mobile application of the illegal or tax-exempt online sports betting platform from any and all locations in California but outside of Indian lands.

(4) Contracting with the Department of Tax and Fee Administration for assistance with administration and collection of the tax.

(5) Establishing deadlines for the payment and collection of the tax. The division may require the tax to be paid at the time the bet is made or initiated, or on a daily, weekly, monthly, quarterly, semi-annual, or annual basis, or any combination thereof.

(6) Publishing a list of known illegal or tax-exempt online sports betting platforms.

(c) In addition to any other penalties, there is hereby established a civil penalty of one thousand dollars

(\$1,000) for each day that any tax owed pursuant to this section is past due under regulations adopted by the division. Proceeds of any penalties incurred under this subdivision shall be deposited into the fund.

(d) Proceeds from the tax imposed by this section shall be deposited into the fund.

(e) The tax imposed pursuant to this section shall not apply to, or be imposed upon, any person for making or placing a bet of any kind if the person is physically present upon Indian lands at the time the bet is made or initiated.

(f) For purposes of this section, an “illegal or tax-exempt online sports betting platform” is an online sports betting platform that is any of the following:

(1) Owned by a person who is exempt from the surcharge imposed by Section 19775.

(2) Owned or operated by a person who has not submitted to the jurisdiction and regulatory control of the division.

(3) Owned or operated by a person who does not possess the licenses required by this chapter for the offering, conduct, or operation of online sports betting in this state but outside of Indian lands.

Article 9. Division of Online Sports Betting Control 19777. Division of Online Sports Betting Control Established

(a) Notwithstanding any contrary provision of law, including, but not limited to, Part 6 (commencing with Section 15000) of Division 3 of Title 2 of the Government Code, there is hereby established within the Department of Justice a Division of Online Sports Betting Control.

(b) The division shall continue in existence on and after the effective date of this chapter, and shall remain separate and independent from all other divisions, bureaus, branches, sections, and units within the Office of the Attorney General and the Department of Justice.

(c) The Attorney General shall appoint a director of the division, who shall lead the division in the performance of its duties. The director shall serve at the pleasure of the Attorney General.

(d) Consistent with applicable civil service laws, the Attorney General shall retain, appoint, or assign employees to the division sufficient to carry out its duties as set forth in this chapter and implementing regulations. The Attorney General shall consult with the director regarding the number and qualifications of employees necessary for the division to carry out its duties. The division may contract for services that cannot be provided by employees.

19778. Powers of the Division

(a) The division is vested with exclusive power, authority, and jurisdiction to implement and enforce this chapter and supervise the offering, conduct, or operation of online sports betting in the State of California but outside of Indian lands.

(b) The division shall do all of the following:

(1) Exercise all of the powers of the Office of the Attorney General and the Department of Justice in the performance of its duties.

(2) Adopt, amend, and rescind regulations necessary to carry out the purposes and provisions of this chapter.

(3) Consult with, and obtain written input from, the committee prior to proposing, adopting, amending, or rescinding any regulation or emergency regulation.

(4) Examine the regulations adopted in other states or territories of the United States where online sports betting is lawfully conducted and shall, as far as practicable, adopt a similar regulatory framework. The division may enlist the assistance of the committee in identifying and examining the relevant regulations adopted in other states or territories of the United States.

(5) Establish and maintain an office for the transaction of its business in Sacramento.

(c) (1) Included within the division's general power to adopt, amend, and rescind regulations is the power to adopt regulations relating to the following:

(A) The acceptance of bets on a sports event, or a series of sports events.

(B) The types of records which shall be kept.

(C) The protections for patrons placing bets.

(D) The promotion of social responsibility, responsible gaming, and inclusion of the statement, “If you or someone you know has a gambling problem and wants help, call 1-800-GAMBLER,” or similar message on an online sports betting platform.

(2) Paragraph (1) is merely a partial description of the regulatory powers of the division. Nothing in paragraph (1) shall be interpreted as any limitation whatsoever on the powers of the division.

(d) The division shall not adopt or enforce any rule or regulation that either:

(1) Requires an online sports betting operator to maintain any hold, whether expressed as a percentage of bets, specific amounts, or otherwise.

(2) Requires that an online sports betting operator must report or display the handle or amount bet on individual sports events or bet types.

(e) The division shall only deny, limit, condition, or restrict a license, permit, registration, or approval for good cause, subject to due process.

(f) In addition to its other powers, the division may take any of the following actions:

(1) Subpoena witnesses, compel their attendance and testimony, administer oaths and affirmations, take evidence and require by subpoena the production of any books, papers, records, or other items material to the performance of the division's duties or exercise of its powers, including, but not limited to, its power to audit a person's compliance with this chapter.

(2) Institute and defend civil actions in any court to restrain or halt a violation of this chapter.

(3) Initiate disciplinary action for violations of this chapter.

(4) Inspect equipment, supplies, and systems of any online sports betting operator or online sports betting supplier.

(5) Require any person to apply for a license, permit, registration, or approval as specified in this chapter or in any regulation adopted pursuant to this chapter. The division may limit, condition, or restrict any license, permit, registration, or approval.

19779. Delegation of Power to the Director

(a) All power necessary to carry out the administrative and executive functions of the division is hereby delegated to the director. These powers include, but are not limited to, all of the following:

(1) The issuance and renewal of licenses.

(2) The conduct of investigations, inspections, and audits.

(3) The civil prosecution and settlement of violations of this chapter.

(4) The approval of forms of betting, types of sports events, and sports leagues.

(5) The granting of requests and waivers, answering inquiries, issuing interpretations, and otherwise taking all actions that are reasonably requested by applicants and licensees in furtherance of, and consistent with, the efficient administration and enforcement of this chapter.

(b) An applicant or licensee that receives an adverse determination, denial, or rejection from the director may appeal the adverse determination, denial, or rejection to the Attorney General. The Attorney General shall independently review appeals brought pursuant to this subdivision de novo.

19780. Confidentiality

(a) The division shall maintain a file of all applications for licenses under this chapter. The division shall maintain a record of all actions taken with respect to those applications.

(b) Except as necessary for the administration of this chapter, no person having obtained access to confidential records or information in the performance of duties pursuant to this chapter, shall knowingly disclose or furnish the records or information, or any part thereof, to any person who is not authorized by law to receive it. A violation of this subdivision is an infraction and may subject the violator to civil liability, including damages, and disciplinary action.

(c) Notwithstanding subdivision (k) of Section 1798.24 of the Civil Code, a court shall not compel disclosure of personal information in the possession of the division to any person in any civil proceeding wherein the division or Attorney General is not a party, except for good cause and upon a showing that the information cannot otherwise be obtained. This

section shall not authorize the disclosure of personal information that is otherwise exempt from disclosure.

(d) Disclosures that are required to be made to the division as necessary for the administration of this chapter shall not waive attorney-client privilege held by the person or affiliate of a person required to make that disclosure.

19781. Fines and Penalties for Violations of Chapter

(a) The division may impose fines, place licensees on probation, and revoke licenses in response to violations of this chapter, subject to due process. The division may impose fines upon any person holding, or required to hold, a license, permit, registration, or approval under this chapter or the regulations adopted pursuant to this chapter.

(b) The division has the sole and exclusive power to enforce this chapter and impose fines and other penalties for violations of this chapter.

(c) Maximum fines for violations of this chapter shall be as follows:

(1) For an online sports betting operator or online sports betting supplier:

(A) Fifteen thousand dollars (\$15,000) where the violation involves a person under 21 years of age.

(B) Ten thousand dollars (\$10,000) for all other violations.

(2) For a key person:

(A) Seven thousand five hundred dollars (\$7,500) where the violation involves a person under 21 years of age.

(B) Five thousand dollars (\$5,000) for all other violations.

(3) For all other persons:

(A) Five thousand dollars (\$5,000) where the violation involves a person under 21 years of age.

(B) Two thousand five hundred dollars (\$2,500) for all other violations.

(d) Notwithstanding subdivision (c), the maximum fine for multiple violations of this chapter arising out of the same transaction, occurrence, or set of circumstances shall be as follows:

(1) One hundred thousand dollars (\$100,000) for an online sports betting operator or online sports betting supplier.

(2) Fifty thousand dollars (\$50,000) for a key person.

(3) Twenty-five thousand dollars (\$25,000) for all other persons.

(e) (1) Nothing in this chapter shall be subject to, or construed to create, a private right of action.

(2) Article 18 (commencing with Section 19990) of Chapter 5 of Division 8 shall not apply to any conduct made lawful by this chapter or regulations adopted thereunder.

19782. Emergency Regulations

(a) The division shall adopt emergency regulations sufficient to permit online sports betting to be offered, conducted, or operated in this state but outside of Indian lands. Emergency regulations shall be adopted in accordance with the schedule set forth in Section 19791.

(b) Any emergency regulation adopted pursuant to this chapter shall be adopted in accordance with Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, and, for purposes of that chapter, including Section 11349.6 of the Government Code, the adoption of the regulation is an emergency and shall be considered by the Office of Administrative Law as necessary for the immediate preservation of the public peace, health and safety, and general welfare. Notwithstanding any other contrary provision of law, an emergency regulation adopted by the division shall remain in effect until a permanent replacement regulation has been adopted.

19783. Reporting Violations to the Division

Any person or entity holding a license, permit, or approval under this chapter shall report known violations of this chapter or other applicable law, or regulations adopted pursuant to this chapter, to the division. Violations shall be reported with commercially reasonable promptness, which shall include adequate time to conduct an internal investigation concerning any potential violation.

19784. Division Start-Up Loan

(a) Notwithstanding any other contrary provision of law, a loan in the amount of up to thirty million dollars (\$30,000,000) is hereby made from the General Fund to the Attorney General for the purposes of establishing the division, hiring a director and other division employees, securing office space for the division, adopting regulations, reviewing and processing applications, and administering this chapter.

(b) The loan shall be repaid within five years. The Legislature shall appropriate moneys in the fund to repay the loan.

(c) The Controller and all other responsible state officials shall take all actions necessary to effectuate the loan required by this section.

Article 10. Online Sports Betting Independent Advisory Committee

19785. Online Sports Betting Independent Advisory Committee Established

(a) An Online Sports Betting Independent Advisory Committee is hereby established within the division.

(b) No individual holding federal, state, tribal, or local elected or appointed office and no officer or official of any political party is eligible for appointment to the committee.

(c) Nine members of the committee constitute a quorum for purposes of voting and conducting business of the committee.

(d) The committee shall elect a chairperson from among its membership. The chairperson shall serve in that capacity for two years and is eligible for reelection. The chairperson shall preside at all meetings and shall have all the powers and privileges of other committee members.

(e) The committee shall meet not less than quarterly, and may hold additional regular and special meetings at the call of the committee or the chairperson.

(f) At least two employees of the division shall be assigned full-time to staffing and supporting the committee.

19786. Committee Membership

(a) The committee shall be composed of 17 members appointed as follows:

(1) The Governor shall appoint four members as follows: one representative with expertise in law enforcement or public health, one representative of the general public, one representative of gaming tribes, and one representative of qualified gaming entities.

(2) The Speaker of the Assembly shall appoint three members as follows: one representative of the general public, one representative of gaming tribes, and one representative of qualified gaming entities.

(3) The President pro Tempore of the Senate shall appoint three members as follows: one representative of the general public, one representative of gaming tribes, and one representative of qualified gaming entities.

(4) The Lieutenant Governor shall appoint two members as follows: one representative with expertise in responsible gaming, and one representative of gaming tribes or qualified gaming entities.

(5) The Controller shall appoint two members as follows: one representative with expertise in accounting, and one representative of gaming tribes.

(6) The Treasurer shall appoint two members as follows: one representative with expertise in public finance, and one representative of qualified gaming entities.

(7) The Secretary of State shall appoint one member with expertise in technology or privacy.

(b) No organization, including, but not limited to, a gaming tribe, qualified gaming entity, law enforcement organization, or public health organization, shall have more than one individual from their organization appointed to the committee at any given time.

(c) The Attorney General, or the Attorney General's representative, shall serve as a nonvoting ex officio member of the committee.

(d) Each member of the committee shall either be a citizen and resident of the United States or satisfy the requirements of subdivision (b) of Section 1020 of the Government Code.

19787. Committee Member Terms

(a) Each appointing authority described in Section 19786 shall make their initial appointments to the committee in accordance with the schedule set forth in Section 19791.

(b) The term of initial appointees to the committee shall begin on the 45th day after the effective date of this chapter. The terms of initial appointees to the committee shall be as follows:

(1) The Governor's and the Lieutenant Governor's initial appointees shall serve for a term of four years.

(2) The Speaker of the Assembly's and the President pro Tempore of the Senate's initial appointees shall serve for a term of three years.

(3) The Controller's, the Treasurer's, and the Secretary of State's initial appointees shall serve for a term of two years.

(c) After the initial terms, the term of each appointed or reappointed committee member shall be four years. Each member of the committee shall serve until a successor is appointed.

(d) A member of the committee may be removed by the appointing authority for malfeasance in office or neglect of duty. No member shall be removed unless the reasons for removal are presented in writing to the member.

(e) (1) Within 10 days of the changed circumstance, a member of the committee appointed to represent a specific expertise, organization, or type of entity shall notify in writing their appointing authority if they no longer possess or represent that specific expertise, organization, or type of entity, or are otherwise unable to continue serving as a member of the committee.

(2) Upon receipt of the written notice by the appointing authority, the member's position on the committee shall be deemed vacant. Within 30 days of receipt of the written notice, the appointing authority shall appoint a successor to serve the remainder of the former member's term. Upon expiration of the unexpired term, the successor may be appointed to a full term.

19788. Duties of the Committee

(a) The committee shall advise and make recommendations to the division and director with respect to implementing this chapter. The committee shall advise and make recommendations upon any aspect of implementing this chapter, including, but not limited to, the following:

(1) Technologies and other measures that can be employed to prevent persons under 21 years of age from placing bets.

(2) Best online sports betting practices utilized in other states and territories of the United States.

(3) Options consistent with this chapter that will responsibly maximize the amount of revenues paid into the fund.

(4) Administrative and technical support guidance to the division with respect to online sports betting.

(5) Recommendations on new regulations that should be adopted, and existing regulations that should be amended, updated, or rescinded.

(b) The committee is authorized, but not limited, to do any of the following:

(1) Undertake investigations or studies.

(2) Issue written reports.

(3) Post any report or recommendation on the division's internet website under the committee's own link thereon.

19789. Compensation

(a) Each committee member, except ex officio members, shall be entitled to one hundred fifty dollars (\$150) per diem. Per diem shall be paid to committee members for each day spent in actual attendance at, or in traveling to and from, meetings of the committee, or on special assignment for the committee as approved by the committee chairperson and the director.

(b) No member of the committee shall receive per diem for more than 40 days in a calendar year.

(c) Committee members shall receive the necessary traveling expenses and meal allowances, as approved by the director.

(d) The per diem and reimbursement authorized in this section shall be wholly defrayed from moneys in the fund.

Article 11. Amendment, Effective Date, and Commencement of Online Sports Betting

19790. Amendment

(a) The people of the State of California hereby declare as follows:

(1) Under subdivision (c) of Section 10 of Article II of the California Constitution, and as described in *People v. Kelly* (2010) 47 Cal.4th 1008, the Legislature lacks power to make any amendments to an initiative statute without subsequent voter approval, unless specifically authorized by the people to make amendments without voter approval.

(2) Under subdivision (c) of Section 10 of Article II of the California Constitution, and as described in *Amwest Surety Insurance Company v. Wilson* (1995) 11 Cal.4th 1243, where the people do authorize the Legislature to amend an initiative statute, the people have power to attach conditions to the authorization.

(b) (1) Except as provided in paragraph (2), after the effective date of this chapter, the Legislature may amend this chapter by a statute passed in each house of the Legislature by rollcall vote entered into the journal, five-sixths of the membership concurring, provided that the statute is consistent with, and furthers the purpose of, this chapter. No bill seeking to amend this chapter after the effective date of this chapter may be passed or ultimately become a statute unless the bill has been printed and distributed to members, and published on the internet, in its final

form, for at least 15 business days prior to its passage in either house of the Legislature.

(2) Notwithstanding paragraph (1), the Legislature may amend the percentage allocation of moneys between the California Solutions to Homelessness and Mental Health Support Account and the Tribal Economic Development Account set forth in subdivision (d) of Section 19750 and paragraph (2) of subdivision (e) of Section 19750 by a statute passed in each house of the Legislature by rollcall vote entered into the journal, two-thirds of the membership concurring.

(c) No statute enacted after October 1, 2021, but prior to the effective date of this chapter, that would constitute an amendment of this chapter, shall be operative after the effective date of this chapter unless the statute was passed in accordance with the requirements of subdivision (b).

(d) The purposes of this chapter are described in Section 2 of the California Solutions to Homelessness and Mental Health Support Act.

19791. Effective Date and Commencement of Online Sports Betting

(a) This chapter shall take effect on the next January 1 following its approval by the people of the State of California.

(b) Not later than 30 days after the effective date of this chapter, all initial appointments to the committee shall be made.

(c) Within 120 days after the effective date of this chapter, the division shall publish proposed emergency regulations sufficient for implementing this chapter, including, but not necessarily limited to, application forms for licenses and submissions authorized by Article 4 (commencing with Section 19762), Article 5 (commencing with Section 19769), Article 6 (commencing with Section 19771), and Article 7 (commencing with Section 19774). The division shall invite and consider comments on the proposed emergency regulations from the public and the committee.

(d) Within 150 days after the effective date of this chapter, the division shall adopt final emergency regulations implementing this chapter, including application forms as described in subdivision (c).

(e) Within 160 days after the effective date of this chapter, the division shall begin accepting license applications from operator applicants, supplier applicants, key persons, and for temporary licenses. The division shall make a determination on an application within 60 days of receipt thereof.

(f) (1) Within 240 days after the effective date of this chapter, the division shall permit online sports betting operators to commence offering, conducting, or operating online sports betting in this state as provided in this chapter.

(2) All operator applicants that have submitted an application pursuant to Section 19763 within 30 days

of the adoption of final emergency regulations pursuant to subdivision (d) shall be given an equal opportunity to first commence offering, conducting, or operating online sports betting in this state on the same day.

(3) All operator applicants that have submitted an application pursuant to both Section 19763 and Section 19764 within 30 days of the adoption of final emergency regulations pursuant to subdivision (d) shall be given an equal opportunity to first commence offering, conducting, or operating online sports betting in this state on the same day. Operator applicants described in this paragraph may be permitted to first commence offering, conducting, or operating online sports betting in this state before operator applicants described in paragraph (2).

Article 12. Trade Secrets and Personal and Proprietary Information

19792. Trade Secrets and Proprietary Information

(a) Any submissions to the division pursuant to this chapter, and all documents, reports, and data submitted therewith, that contain proprietary information, trade secrets, financial information, or personal information about any person or entity are not public records subject to disclosure for purposes of Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1 of the Government Code or any other state law.

(b) Submissions described in subdivision (a) shall be treated by the division as confidential records and shall not be publicly disclosed or disseminated unless required by an order of a court of competent jurisdiction.

19793. Personal Information and Compliance with State Law

(a) The collection, use, retention, and sharing of personal information pursuant to this chapter and regulations adopted thereunder shall be governed by this chapter and not any other state law.

(b) For the purposes of California law, including, but not limited to, Title 1.81.5 (commencing with Section 1798.100) of Part 4 of Division 3 of the Civil Code, the people hereby find and declare that the collection, use, retention, and sharing of personal information authorized or required by this chapter is necessary in order to comply with California state law as set forth in this chapter.

Article 13. Definitions

19794. Definitions

For purposes of this chapter, as used in both the singular and plural form, the following definitions shall apply:

(a) "Adjusted gross online sports betting receipts" means the dollar amount remaining after subtracting the dollar amounts described in paragraph (2) from the dollar amounts described in paragraph (1):

(1) Total gross receipts.

(2) *The total dollar amount of all the following paid out or lost by the online sports betting operator:*

(A) *All moneys paid out as winnings to all bettors.*

(B) *The value of all merchandise or property awarded as a prize to bettors.*

(C) *All federal excise taxes.*

(D) *All voided bets.*

(b) *“Amateur sports event” or “amateur sporting event” means any sports or athletic event that is not a professional sports event, collegiate sports event, or youth sports event.*

(c) *“Collegiate sports event” or “collegiate sporting event” means an athletic event or events in which at least one participant is a team from a public or private institution of higher learning or an individual competing on behalf of a public or private institution of higher learning, regardless of where the institution is located.*

(d) *“Committee” means the Online Sports Betting Independent Advisory Committee established in Article 10 (commencing with Section 19785).*

(e) *“Competitive event” or “novelty event” means any other event of any kind authorized by the division for betting under this chapter, including, but not limited to, awards shows, nonathletic competitions and events, popular culture, and current events. “Competitive event” or “novelty event” does not include federal, state, local, or foreign elections.*

(f) *“Covered sporting event” or “covered sports event” means a professional, collegiate, or amateur sports event of a sports governing body on which one or more online sports betting operators offer or accept bets.*

(g) *“Department” means the Department of Justice.*

(h) *“Division” means the Division of Online Sports Betting Control established in Article 9 (commencing with Section 19777).*

(i) *“Director” means the director of the Division of Online Sports Betting Control.*

(j) *“Electronic sports event” or “electronic sporting event” means leagues, competitive circuits, tournaments, or similar competitions where individuals or teams play video games, typically for spectators, either in person or online, for the purpose of prizes, money, or entertainment.*

(k) *“Fund” means the California Online Sports Betting Trust Fund established by Section 19750.*

(l) (1) *“Gaming tribe” means a federally recognized Indian tribe that legally operates slot machines or conducts banking and percentage card games, roulette, or games played with dice in conformity with either of the following:*

(A) *A valid compact negotiated with the Governor and ratified by the Legislature as provided in Section 19 of Article IV of the California Constitution.*

(B) *Class III gaming procedures issued by the Secretary of the United States Department of the*

Interior pursuant to the remedial provisions of Section 2710(d)(7) of Title 25 of the United States Code, or any successor federal statute.

(2) *“Gaming tribe” includes any instrumentality, political subdivision, or other legal entity through which a gaming tribe operates slot machines or conducts banking and percentage card games, sports betting, roulette, or games played with dice in this state.*

(m) *“Handle” means the dollar amount equal to the total of all bets on a sporting event.*

(n) *“Hold” means the dollar amount equal to the total of all bets, except for bets made with free bets or promotional gaming credits, that an online sports betting licensee collects from patrons, less the total amount of all sums paid out as winnings to all patrons.*

(o) *“Indian lands” means the Indian lands of a federally recognized Indian tribe, as defined in Section 2703(4) of Title 25 of the United States Code, or any successor federal statute.*

(p) *“Key person” means a managerial employee of an operator applicant, supplier applicant, online sports betting operator, or online sports betting supplier who performs the function of principal executive officer, principal operations officer, or principal accounting officer, and any principal owner of that licensee or applicant, except for an institutional investor that holds for investment purposes less than 25 percent of the equity of an applicant, an operator, or a supplier.*

(q) *“Market access agreement” means an agreement between a qualified gaming entity and a gaming tribe concerning the qualified gaming entity’s offering and conduct of online sports betting to persons physically present in this state but outside of Indian lands, the terms of which shall be determined solely by the parties to the agreement.*

(r) *“Motor sports event” means a sports event in which participants compete using a machine-powered vehicle or apparatus.*

(s) (1) *“Online sports betting” means accepting a bet or bets through an online sports betting platform on any of the following:*

(A) *Sporting events.*

(B) *Portions or combinations of sporting events.*

(C) *The individual statistics or performance of athletes or participants in a sporting event or combination of sporting events.*

(2) *Online sports betting can take the form of placing or accepting bets by way of any system or method of betting, including, but not limited to, single-game bets, teaser bets, parlays, over-under, moneyline, pools, exchange betting, in-game betting, in-play bets, proposition bets, and straight bets.*

(3) *“Online sports betting” does not include parimutuel betting on horse racing as set forth in Article 9 (commencing with Section 19590) of Chapter 4 of Division 8.*

(t) (1) “Online sports betting operator” means the person or persons described in paragraph (2) that are licensed pursuant to this chapter to offer, conduct, or operate online sports betting in this state but outside of Indian lands.

(2) (A) Where a gaming tribe obtains a tribal operator license pursuant to Article 4 (commencing with Section 19762), the gaming tribe is the online sports betting operator.

(B) Where a qualified gaming entity obtains a qualified gaming entity operator license pursuant to Article 4 (commencing with Section 19762), the qualified gaming entity is the online sports betting operator.

(C) Where an online sports betting platform provider obtains an online sports betting platform provider operator license pursuant to Article 4 (commencing with Section 19762), the online sports betting platform provider is the online sports betting operator.

(u) “Online sports betting operator license” means a license issued by the division to an online sports betting operator pursuant to this chapter to offer, conduct, or operate online sports betting in this state but outside of Indian lands. An “online sports betting operator license” includes a tribal operator license, a qualified gaming entity operator license, and an online sports betting platform provider operator license.

(v) “Online sports betting platform” or “platform” means an online-enabled application, an internet website, or other electronic or digital technology used to offer, conduct, or operate online sports betting.

(w) “Online sports betting platform provider” means a person that contracts with a gaming tribe to provide an online sports betting platform or other services to the gaming tribe that are specific to online sports betting and that are necessary for offering, conducting, or operating online sports betting by the gaming tribe, including odds and line information, settling bets, or maintaining sports betting customer accounts.

(x) “Online sports betting platform provider application” means an application described in subparagraph (C) of paragraph (1) of subdivision (b) of Section 19763.

(y) “Online sports betting platform provider license” means an online sports betting operator license described in subparagraph (C) of paragraph (1) of subdivision (b) of Section 19763.

(z) “Online sports betting supplier” means a person that provides or offers services to an online sports betting operator.

(aa) “Operating agreement” means a written contract in a form approved by the division in which a gaming tribe and an online sports betting platform provider agree to all of the following:

(1) The online sports betting platform provider will offer, conduct, or operate online sports betting in lieu of the gaming tribe.

(2) The online sports betting platform provider shall apply for an online sports betting operator license, and shall be the only party to the agreement that obtains any license under this chapter.

(3) The gaming tribe shall have no active role in the offering, conduct, or operation of online sports betting.

(4) Whether the online sports betting platform provider will share a portion of profits from the offering, conduct, or operation of online sports betting with the gaming tribe.

(5) The online sports betting platform provider shall be responsible for payment of all license fees, license renewal fees, taxes, penalties, fines, and surcharges applicable to the offering, conduct, or operation of online sports betting with persons physically present in this state but outside of Indian lands.

(ab) “Operator applicant” means all of the following:

(1) Where a gaming tribe submits a tribal operator application pursuant to Article 4 (commencing with Section 19762), the gaming tribe is the operator applicant.

(2) Where a qualified gaming entity submits a qualified gaming entity application pursuant to Article 4 (commencing with Section 19762), the qualified gaming entity is the operator applicant.

(3) Where an online sports betting platform provider submits an online sports betting platform provider application pursuant to Article 4 (commencing with Section 19762), the online sports betting platform provider is the operator applicant.

(ac) “Patron,” “bettor,” “consumer,” or “customer” means an individual in this state eligible to place, make, or initiate bets on sports events pursuant to this chapter who has placed, made, or initiated, or in the future places, makes, or initiates, those bets.

(ad) “Person” means individuals, natural persons, gaming tribes, tribal entities, corporate entities, and any other legal entity of any kind. When used as a noun, “individual” means a human being.

(ae) “Principal owner” means a person or entity that holds more than a 10 percent ownership interest.

(af) “Professional sports event” or “professional sporting event” means an athletic event in which at least two or more competitors participate and one or more competitors receive compensation for participating in the event. Any event that qualifies as a collegiate sport shall not be considered a professional sport regardless of whether competitors are compensated.

(ag) “Qualified gaming entity” means a person that satisfies at least one of the following conditions:

(1) The person and its affiliates collectively are licensed or similarly authorized to offer, conduct, or operate online sports betting in at least 10 states or territories of the United States.

(2) The person and its affiliates collectively:

(A) Are licensed or similarly authorized to offer, conduct, or operate online sports betting in at least five states or territories of the United States.

(B) Operate or manage at least 12 casinos physically located anywhere within a state or territory of the United States that offer games that would be “Class III gaming” under Section 2703 of Title 25 of the United States Code if the casino were operated by an Indian tribe.

(ah) “Qualified gaming entity application” means an application described in subparagraph (B) of paragraph (1) of subdivision (b) of Section 19763.

(ai) “Qualified gaming entity operator license” means an online sports betting operator license described in subparagraph (B) of paragraph (1) of subdivision (b) of Section 19763.

(aj) “Tribal application” means an application described in subparagraph (A) of paragraph (1) of subdivision (b) of Section 19763.

(ak) “Tribal operator license” means an online sports betting operator license described in subparagraph (A) of paragraph (1) of subdivision (b) of Section 19763.

(al) (1) “Sports event” or “sporting event” means all of the following:

(A) A professional sports event.

(B) An athletic event.

(C) A collegiate sports event.

(D) An amateur sports event.

(E) An electronic sports event.

(F) A motor sports event.

(G) A competitive event or novelty event.

(2) “Sports event” or “sporting event” does not include horse races that are subject to Article 9 (commencing with Section 19590) of Chapter 4 of Division 8.

(am) “Sports governing body” means an organization that is headquartered in the United States and prescribes final rules and enforces codes of conduct with respect to a covered sports event and participants therein.

(an) “Sports league” means an organization that hosts or coordinates a recurring series of sports events between teams or individuals that are members of, or affiliated with, the organization.

(ao) “Supplier applicant” means a person that applies for an online sports betting supplier license pursuant to Article 6 (commencing with Section 19771).

(ap) “Total gross receipts” means the total dollar amount of all online sports bets, except for sports bets made with free bets or promotional gaming credits, that the online sports betting operator collects from bettors.

(aq) “State or territory of the United States” means the District of Columbia, any territory of the United

States, or any state represented in the United States Senate besides the State of California.

(ar) (1) “Bet” or “wager” means the staking or risking by a person of something of value upon an agreement or understanding that the person or another person will receive something of value in the event of a certain outcome. The terms do not include:

(A) Any activity governed by the securities laws of the United States or this state.

(B) Any contract of indemnity or guarantee.

(C) Any contract for insurance.

(D) Participation in any game or contest in which the participants do not stake or risk anything of value other than personal efforts of the participants in playing the game or contest or obtaining access to the internet, or points or credits that the sponsor of the game or contest provides to participants free of charge and that can be used or redeemed only for participation in games or contests offered by the sponsor.

(E) A fantasy sports contest in which winning outcomes reflect the relative knowledge and skill of the players and are predominantly determined by the accumulated statistical performance of athletes or individuals.

(2) References to a bet or wager being “made,” “placed,” or “initiated,” or any combination or conjugation of those terms, are used interchangeably within this chapter.

(as) (1) “Youth sports event” or “youth sporting event” means an athletic event or events in which either of the following conditions exists:

(A) The majority of participants are under the age of 18 years.

(B) At least one participant is a team from a public or private elementary, middle, or secondary school, regardless of where that school is located.

(2) Notwithstanding paragraph (1), if an athletic event is an Olympic event or meets the definition of “collegiate sports event” or “professional sports event,” then the event shall not be considered to be a youth sports event regardless of the age of the participants.

(3) Designation as a “youth sports event” shall be limited to the single game or match in which either of the conditions set forth in subparagraph (A) or (B) of paragraph (1) exist, and shall not be construed to prohibit betting on other games in a tournament or multigame event in which a youth sports team participates.

SEC. 5. Section 15.5 is added to Article XIII B of the California Constitution, to read:

SEC. 15.5. “Appropriations subject to limitation” of each entity of government shall not include appropriations of revenues from the California Online Sports Betting Trust Fund created by the California Solutions to Homelessness and Mental Health Support

Act, or any other revenues deposited into any other fund or account pursuant to that act. No adjustment in the appropriations limit of any entity of government shall be required pursuant to Section 19.5 of Article IV of the California Constitution as a result of revenues being deposited in or appropriated from the California Online Sports Betting Trust Fund created by California Solutions to Homelessness and Mental Health Support Act or any other fund or account pursuant to that act.

SEC. 6. Section 23.5 is added to Article XVI of the California Constitution, to read:

SEC. 23.5. The taxes imposed by the California Solutions to Homelessness and Mental Health Support Act and the revenue derived therefrom, including investment interest, shall not be considered General Fund revenues for purposes of Section 8 and its implementing statutes, and shall not be considered "General Fund revenues," "state revenues," or "General Fund proceeds of taxes" for purposes of subdivisions (a) and (b) of Section 8 and its implementing statutes.

SEC. 7. Severability.

The provisions of this act are severable. If any portion, section, subdivision, paragraph, clause, sentence, phrase, word, or application of this act is for any reason held to be invalid by a decision of any court of competent jurisdiction, that decision shall not affect the validity of the remaining portions of this act. The people of the State of California hereby declare that they would have adopted this act and each and every portion, section, subdivision, paragraph, clause, sentence, phrase, word, and application not declared invalid or unconstitutional without regard to whether any part of this act or application thereof would be subsequently declared invalid.

SEC. 8. Conflicting and Nonconflicting Initiative Measures.

(a) Conflicting Initiative Measures. In the event that this initiative measure and another initiative measure or measures authorizing sports betting to be offered over the internet and on mobile devices to persons aged 21 years or older physically present in this state but outside of Indian lands shall appear on the same statewide election ballot, the other initiative measure or measures shall be deemed to be in conflict with this measure. In the event that this initiative measure receives a greater number of affirmative votes, the provisions of this measure shall prevail in their entirety, and the provisions of the other initiative measure or measures shall be null and void.

(b) Nonconflicting Initiative Measures.

(1) Notwithstanding subdivision (a), this initiative measure shall not be deemed to be in conflict with the California Sports Wagering Regulation and Unlawful Gambling Enforcement Act, which was initially designated as Initiative No. 19-0029 Amendment #1 by the Attorney General and #1886 by the Secretary of State.

(2) The voters hereby declare that this act and the initiative measure described in paragraph (1) are complementary and supplementary to each other; and are not competing all-or-nothing alternatives. The voters hereby freely and unequivocally express their intent that if this act and the initiative measure described in paragraph (1) are both approved at the same election, that both this act and the other initiative measure should both be given full force and effect.

(3) The voters hereby further declare:

(A) The California Sports Wagering Regulation and Unlawful Gambling Enforcement Act and this act are complementary and supplementary to each other.

(B) This act and the California Sports Wagering Regulation and Unlawful Gambling Enforcement Act are not competing all-or-nothing alternatives.

(C) It is the intent of the people that, should this act and the California Sports Wagering Regulation and Unlawful Gambling Enforcement Act both be approved by the voters at the same election, both measures should be given full force and effect in order to ensure that the benefits of safe, legal online and in-person sports betting can both be realized for the State of California.

(c) If this initiative measure is approved by the voters but superseded in whole or in part by any other conflicting initiative measure approved by the voters at the same election, and such conflicting measure is later held invalid, this measure shall be self-executing and given full force and effect.

SEC. 9. Liberal Construction.

This act shall be liberally construed to give effect to its intent and purposes, which are expressed in Section 2 of this act.

SEC. 10. Legal Defense.

The purpose of this section is to ensure that the people's precious right of initiative cannot be improperly annulled by state politicians who refuse to defend the will of the voters. Therefore, if this act is approved by the voters of the State of California and thereafter subjected to a legal challenge which attempts to limit the scope or application of this act in any way, or alleges this act violates any state or federal law in whole or in part, and both the Governor and Attorney General refuse to defend this act to the fullest extent possible on behalf of the State of California, then the following actions shall be taken:

(a) Notwithstanding anything to the contrary contained in Chapter 6 (commencing with Section 12500) of Part 2 of Division 3 of Title 2 of the Government Code or any other law, the Attorney General shall appoint independent counsel to faithfully and vigorously defend this act to the fullest extent possible on behalf of the State of California.

(b) Before appointing or thereafter substituting independent counsel, the Attorney General shall exercise due diligence in determining the

qualifications of independent counsel and shall obtain written affirmation from independent counsel that independent counsel will faithfully and vigorously defend this act to the fullest extent possible. The written affirmation shall be made publicly available upon request.

(c) In order to support the defense of this act in instances where the Governor and Attorney General fail to do so despite the will of the voters, a continuous appropriation is hereby made from the General Fund to the Controller, without regard to fiscal years, in an amount necessary to cover the costs of retaining independent counsel to faithfully and vigorously defend this act on behalf of the State of California to the fullest extent possible.

PROPOSITION 28

This initiative measure is submitted to the people in accordance with the provisions of Section 8 of Article II of the California Constitution.

This initiative measure adds sections to the Education Code; therefore, new provisions proposed to be added are printed in *italic type* to indicate that they are new.

PROPOSED LAW

SECTION 1. Findings and Declarations.

(a) Studies on educational achievement prove that arts and music education improves student learning. Music education has been shown to improve cognitive development and spatial reasoning, while the dramatic arts improve reading comprehension. Arts and music education has also been shown to improve school attendance and individual student self-confidence and motivation to learn, particularly among poor and other at-risk students. An arts education also provides a viable pathway to a job in California's creative economy, while developing and expanding culture.

(b) Despite the clear value of arts and music education, an independent study of arts education in California found:

(1) Ninety percent of elementary schools fail to provide a high-quality course of study across arts disciplines.

(2) Ninety-six percent of middle schools fail to provide a high-quality course of study across arts disciplines.

(3) Seventy-two percent of high schools fail to provide a high-quality course of study across arts disciplines.

(c) The same study found that music education, in particular, has seen a dramatic decline in student enrollment and offered curriculum. Not surprisingly, student access to arts education is worse for high-poverty schools.

(d) The cause of the steady decline in arts and music education is directly linked to inadequate and unstable funding of such programs. As one school principal simply and honestly stated: "In tough times,

when you cut back to essentials, the first thing to go are the arts programs." In fact, over 70 percent of all school principals said that inadequate and unstable funding was a significant barrier to providing arts education to their students.

(e) The solution to this problem is clear. We need to provide California public schools with a dedicated annual source of additional funding for arts and music education. This act ensures every student in California's K–12 public schools has access to a high-quality arts education by:

(1) Increasing and stabilizing funding for arts and music education so that schools can develop and maintain a high-quality course of study in arts and music—year after year.

(2) Holding public officials accountable for using such funds for arts and music education by:

(A) Requiring that these funds be primarily spent on certificated arts teachers, classified personnel, and teaching aides.

(B) Requiring schools to publish annual reports identifying the specific arts programs provided and the number of students participating in the programs funded.

(C) Ensuring that every public school will receive increased funding for arts and music education, and providing even more funding for schools that serve children in low-income communities who lack access to arts and music education.

(D) Protecting existing Proposition 98 funding of public schools by requiring the Legislature to use money from the state's General Fund to supplement Proposition 98.

(3) Doing all of this without raising taxes.

(f) This measure will provide funds to increase by more than 50 percent the number of arts and music educators in classrooms.

(g) Therefore, the people declare that arts education is an educational priority worthy of the state's commitment to a minimum funding guarantee of an additional 1 percent of the amount funded for public education, and hereby enact "The Arts and Music in Schools—Funding Guarantee and Accountability Act."

SEC. 2. The Arts and Music in Schools—Funding Guarantee and Accountability Act.

SEC. 2.1. Chapter 5.1 (commencing with Section 8820) is added to Part 6 of Division 1 of Title 1 of the Education Code, to read:

CHAPTER 5.1. THE ARTS AND MUSIC IN SCHOOLS— FUNDING GUARANTEE AND ACCOUNTABILITY ACT

8820. (a) *The Arts and Music in Schools—Funding Guarantee and Accountability Act is hereby established for the purpose of providing a minimum source of annual funding K–12 public schools, including public charter schools, to supplement arts education programs for pupils attending those schools.*

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(b) (1) Commencing with the first fiscal year following enactment of this act, and for each fiscal year thereafter, there shall be continuously appropriated without regard to fiscal years from the General Fund to the department for the purposes of this chapter, an amount which is equal to 1 percent of the total state and local revenues received by local educational agencies in the preceding fiscal year that are included in the calculation of the minimum funding guarantee established by Sections 8 and 8.5 of Article XVI of the California Constitution, excluding the appropriation made pursuant to this chapter.

(2) The Director of Finance shall calculate and publish an estimate of the amount necessary to fund the amount required to be appropriated by this chapter as part of the annual May Revision of the Governor's Budget, and shall finalize the calculation and publish the required appropriation amount by January 10 each fiscal year as part of the director's duties pursuant to subdivision (d) of Section 41206.01.

(3) Notwithstanding any other law, for purposes of making the computations required by subdivision (b) of Section 8 of Article XVI of the California Constitution:

(A) For the first fiscal year following enactment of this chapter, the appropriations made pursuant to this subdivision shall be deemed supplementary payments in excess of the minimum amount required for that fiscal year pursuant to Section 8 of Article XVI of the California Constitution and shall not be considered towards fulfilling the requirements of Section 8 of Article XVI of the California Constitution for that fiscal year.

(B) For subsequent fiscal years, the appropriations made pursuant to this subdivision shall be considered moneys that were allocated to school districts from General Fund proceeds of taxes appropriated pursuant to Article XIII B of the California Constitution.

(C) Commencing with the second fiscal year following the enactment of this act, and each fiscal year thereafter, "the percentage of General Fund revenues appropriated for school districts and community college districts, respectively, in fiscal year 1986–87," for purposes of paragraph (1) of subdivision (b) of Section 8 of Article XVI of the California Constitution, shall be deemed to be the percentage of General Fund revenues that would have been appropriated for those entities if the share of the General Fund of the supplementary payments calculated pursuant to this subdivision in the prior fiscal year had been included in the percentage of General Fund revenues appropriated for school districts and community college districts, respectively, in fiscal year 1986–87.

(c) Funds appropriated pursuant to this chapter shall be allocated by the department to each local educational agency as the sum of the amount calculated pursuant to paragraph (1) and the amount calculated pursuant to paragraph (2) for each schoolsite in that local educational agency, as follows:

(1) An amount equal to the product of 70 percent of the funding appropriated in subdivision (b) times the school's enrollment in the prior fiscal year, divided by the total statewide enrollment in the prior fiscal year of local educational agencies.

(2) An amount equal to the product of 30 percent of the funds appropriated in subdivision (b) times the school's enrollment of economically disadvantaged pupils in the prior fiscal year, divided by the total statewide enrollment of economically disadvantaged pupils in the prior fiscal year of local educational agencies. For schools serving preschool pupils, the school's enrollment of economically disadvantaged pupils shall be deemed to equal the preschool's enrollment times the same percentage of pupils that are economically disadvantaged at the closest elementary schoolsite within the preschool's local educational agency, if applicable.

(d) Local educational agencies shall allocate to each schoolsite an amount equal to the sum of the amount calculated pursuant to paragraph (1) of subdivision (c) and the amount calculated pursuant to paragraph (2) of subdivision (c).

(e) For each schoolsite or preschool, the principal or program director shall develop an expenditure plan for the funds allocated pursuant to subdivision (d).

(f) Funds allocated pursuant to subdivision (d) shall be available for use for up to three fiscal years after which time the funds shall be reverted to the department, which shall reallocate those funds to all local educational agencies in the following fiscal year pursuant to subdivision (c).

(g) As a condition of receipt of funds pursuant to this chapter, a local educational agency shall annually:

(1) Certify that all funds are used to provide arts education, and that funds expended in the prior fiscal year were, in fact, used for those purposes, except as provided in paragraph (3). For local educational agencies with an enrollment of 500 or more pupils, the certification shall also ensure that at least 80 percent of funds to be expended will be used to employ certificated or classified employees to provide arts education instruction and that the remaining funds will be used for training, supplies and materials, and arts educational partnership programs.

(2) Certify that such funds received will be used to supplement funding for arts education programs and that funds received in the prior fiscal year were, in fact, used to supplement arts education programs.

(3) Certify that no more than 1 percent of funds received will be used for a local educational agency's administrative expenses to implement this chapter and that funds received in the prior fiscal year were, in fact, used within that limit.

(4) Submit an annual board- or body-approved report in a manner determined by the Superintendent, that shall be posted on the local educational agency's and the department's internet websites and that details the type of arts education programs funded by the

program, the number of full-time equivalent teachers, classified personnel, and teaching aides, the number of pupils served, and the number of schoolsites providing arts education programs with those funds.

(h) The department may, for good cause shown, provide a waiver from the requirement pursuant to paragraph (1) of subdivision (g) upon written request from the principal of a schoolsite.

(i) Annual audits conducted in accordance with Section 41020 shall include all funds received and distributed by the local educational agency pursuant to this section, and shall include a determination of whether the funds were expended pursuant to the certifications submitted and the requirements of this section.

(j) The Legislature may reduce the annual appropriation required by this chapter if the Legislature suspends the operation of Proposition 98 by the enactment of an urgency statute pursuant to subdivision (h) of Section 8 of Article XVI of the California Constitution. The percent of the reduction in the annual appropriation required by this chapter shall not exceed the percent of reduction in funding provided to K–12 schools and community colleges for the fiscal year below the funding level of minimum guarantee that would have been provided pursuant to Section 8 of Article XVI of the California Constitution if the suspension of the operation of Proposition 98 had not occurred.

(k) Nothing in this section prohibits the Legislature from appropriating funds for the program in excess of this minimum annual appropriation.

8821. For purposes of this chapter, the following definitions apply:

(a) “Arts education program” includes, but is not limited to, instruction and training, supplies, materials, and arts educational partnership programs, for instruction in: dance, media arts, music, theatre, and visual arts, including folk art, painting, sculpture, photography, and craft arts, creative expressions, including graphic arts and design, computer coding, animation, music composition and ensembles, and script writing, costume design, film, and video.

(b) “Economically disadvantaged pupil” means a pupil who is eligible for the federal National School Lunch Act (42 U.S.C. Sec. 1751 et seq.) or any successor program.

(c) “Enrollment” means every preschool, transitional kindergarten, and K–12 pupil enrolled in a local educational agency and schoolsite. A “preschool pupil” means a pupil enrolled in the California state preschool program or a preschool for pupils with exceptional needs in a local educational agency.

(d) “Local educational agency” includes K–12 school districts, county offices of education, charter schools, and the California school for the blind and the California school for the deaf.

(e) “Supplement” means that the funds appropriated by this chapter shall be used by local educational agencies to increase funding of arts education programs and not to supplant existing funding for those programs.

8822. (a) If any provision of this act or application thereof to any person or circumstance is held invalid, that invalidity shall not affect other provisions or applications of the act that can be given effect without the invalid provision or application, and to this end the provisions of this act are severable.

(b) This act is intended to be comprehensive. It is the intent of the people that in the event this act or acts relating to the same subject shall appear on the same statewide election ballot, the provisions of the other act or acts shall be deemed to be in conflict with this act. In the event that this act receives a greater number of affirmative votes, the provisions of this act shall prevail in their entirety, and all provisions of the other act or acts shall be null and void.

(c) Except as provided in subdivision (j) of Section 8820, the Legislature may amend this chapter to further its purposes by a bill passed in each house by rollcall vote entered into the journal, two-thirds of the membership of each house concurring.

PROPOSITION 29

This initiative measure is submitted to the people in accordance with the provisions of Section 8 of Article II of the California Constitution.

This initiative measure adds sections to the Health and Safety Code; therefore, new provisions proposed to be added are printed in *italic type* to indicate that they are new.

PROPOSED LAW

SECTION 1. Name.

This act shall be known as the “Protect the Lives of Dialysis Patients Act.”

SEC. 2. Findings and Purposes.

This act, adopted by the people of the State of California, makes the following findings and has the following purposes:

(a) The people make the following findings:

(1) Kidney dialysis is a life-saving process in which blood is removed from a patient’s body, cleaned of toxins, and then returned to the patient. It must be done at least three times a week for several hours a session, and the patient must continue treatment for the rest of their life or until they can obtain a kidney transplant.

(2) In California, nearly 80,000 people undergo dialysis treatment.

(3) Just two multinational, for-profit corporations operate or manage nearly three-quarters of dialysis clinics in California and treat more than 75 percent of

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dialysis patients in the state. These two multinational corporations annually earn billions of dollars from their dialysis operations, including close to \$450 million a year in California alone.

(4) Studies have found that compared to patients at nonprofit dialysis clinics, patients at for-profit clinics are less likely to get kidney transplants, more likely to be hospitalized, and more likely to die.

(5) Many dialysis clinics are operated as joint ventures between for-profit corporations and physicians. A physician who owns a stake in a dialysis clinic may also be serving as the kidney patient's primary doctor, creating a potential conflict of interest. More transparency is necessary for researchers to study the impact of physician ownership on patient care and whether these ownership interests influence decisions regarding dialysis care approaches, patients' choice of clinics, and when to start or discontinue dialysis.

(6) Dialysis patients can make better decisions about their own care when they are informed about whether their physician has an ownership interest in the clinic where they receive dialysis.

(7) The dialysis procedure and side effects from the treatments present several dangers to patients, and many dialysis clinics in California have been cited for failure to maintain proper standards of care. Failure to maintain proper standards can lead to patient harm, hospitalizations, and even death.

(8) Dialysis clinics are currently not required to maintain a doctor or other advanced practitioner onsite to oversee quality, ensure the patient plan of care is appropriately followed, and monitor safety protocols. Patients should have access to a physician or advanced practitioner onsite whenever dialysis treatment is being provided.

(9) Dialysis treatments involve direct access to the bloodstream, which puts patients at heightened risk of getting dangerous infections. Proper reporting and transparency of infection rates encourages clinics to improve quality and helps patients make the best choice for their care.

(10) When health care facilities like hospitals and nursing homes close, California regulators are able to take steps to protect patients from harm. Likewise, strong protections should be provided to vulnerable patients when dialysis clinics close.

(11) Dialysis corporations have lobbied against efforts to enact protections for kidney dialysis patients in California, spending over \$100 million in 2020 to influence California voters.

(b) Purposes:

This act is intended to:

(1) Ensure that outpatient kidney dialysis clinics provide quality and affordable patient care to people suffering from end-stage renal disease.

(2) Provide the government information it needs to supervise dialysis clinics to ensure all dialysis clinic

owners and physicians provide patients with appropriate care.

(3) Provide dialysis patients with information about dialysis clinics' and physicians' financial interests so patients can make informed choices about their care.

(4) Be budget neutral for the state to implement and administer.

SEC. 3. Section 1226.7 is added to the Health and Safety Code, to read:

1226.7. (a) Chronic dialysis clinics shall provide the same quality of care to their patients without discrimination on the basis of who is responsible for paying for a patient's treatment. Further, chronic dialysis clinics shall not refuse to offer or to provide care on the basis of who is responsible for paying for a patient's treatment. Prohibited discrimination includes, but is not limited to, discrimination on the basis that a payer is an individual patient, a private entity, an insurer, Medi-Cal, Medicaid, or Medicare. This section shall also apply to a chronic dialysis clinic's governing entity, which shall ensure that no discrimination prohibited by this section occurs at or among clinics owned or operated by the governing entity.

(b) For purposes of this section, the following definitions shall apply:

(1) "Chronic dialysis clinic" has the same meaning as in Section 1204.

(2) "Governing entity" means a person, firm, association, partnership, corporation, or other entity that owns or operates a chronic dialysis clinic for which a license has been issued, without respect to whether the person or entity itself directly holds that license.

SEC. 4. Section 1226.8 is added to the Health and Safety Code, to read:

1226.8. (a) Every chronic dialysis clinic must maintain, at the chronic dialysis clinic's expense, at least one licensed physician, nurse practitioner, or physician assistant present onsite during all times that in-center dialysis patients are being treated. This onsite clinician shall have authority and responsibility over patient safety and to direct the provision and quality of medical care.

(1) The physician, nurse practitioner, or physician assistant present onsite shall have at least six months of experience providing care to patients with end-stage renal disease.

(2) A chronic dialysis clinic may apply to the department for an exception to the requirement in this subdivision on the grounds that a bona fide shortage of qualified physicians, nurse practitioners, or physician assistants prevents it from satisfying the requirement. Upon such a showing, the department may grant an exception that permits the clinic to satisfy the requirement in this subdivision by having at minimum, at the chronic dialysis clinic's expense, a physician, nurse practitioner, or physician assistant

available to provide care through telehealth at all times that in-center dialysis patients are being treated, provided that the telehealth clinician has at least six months of experience providing care to patients with end-stage renal disease.

(3) The duration of an exception granted by the department pursuant to paragraph (2) shall be one calendar year from the date the clinic is notified of the department's determination.

(b) For each chronic dialysis clinic, the clinic or its governing entity shall quarterly report to the department, on a form and schedule prescribed by the department, dialysis clinic health care associated infection ("dialysis clinic HAI") data, including the incidence and type of dialysis clinic HAIs at each chronic dialysis clinic in California and other information as the department shall deem appropriate to provide transparency on dialysis clinic HAI rates and promote patient safety. The chief executive officer or other principal officer of the clinic or governing entity shall certify under penalty of perjury that the officer is satisfied, after review, that the dialysis clinic HAI report submitted to the department is accurate and complete. The department shall post on its internet website the dialysis clinic HAI data from this report, at the same level of detail as provided in the report. The posted information shall include information identifying the governing entity of each chronic dialysis clinic.

(c) A chronic dialysis clinic shall provide to patients a list of physicians who have an ownership interest or indirect ownership interest in the clinic totaling 5 percent or more. Disclosure of this information must be in writing and must be provided to patients when they begin receiving treatment at the clinic, annually thereafter, and at any other time at the patient's request, as well as to prospective patients at their request.

(1) For each chronic dialysis clinic, the clinic or its governing entity shall quarterly report to the department, on a form and schedule prescribed by the department, persons with an ownership interest or indirect ownership interest in the clinic totaling 5 percent or more, including percentage of ownership interest and nature of ownership interest. The department shall post on its internet website the forms submitted for each chronic dialysis clinic.

(2) For each chronic dialysis clinic, the governing entity shall post on its internet website the ownership form as submitted to the department.

(d) In the event the department determines that a chronic dialysis clinic or governing entity failed to maintain the information or timely submit a report required under this section, or that the report submitted was inaccurate or incomplete, the department shall assess a penalty against the chronic dialysis clinic or governing entity not to exceed one hundred thousand dollars (\$100,000). The department shall determine the amount of the penalty based on the severity of the violation, the materiality

of the inaccuracy or omitted information, and the strength of the explanation, if any, for the violation. Penalties collected pursuant to this paragraph shall be used by the department to implement and enforce laws governing chronic dialysis clinics.

(e) For purposes of this section, the following definitions shall apply:

(1) "Chronic dialysis clinic" has the same meaning as in Section 1204.

(2) "Dialysis clinic HAI" means a bloodstream infection, local access site infection, or vascular access infection related to a dialysis event as defined by the National Healthcare Safety Network of the federal Centers for Disease Control and Prevention, or any appropriate additional or alternative definition that the department defines by regulation.

(3) "Governing entity" has the same meaning as in Section 1226.7.

(4) "Licensed physician" means a nephrologist or other physician licensed by the state pursuant to Chapter 5 (commencing with Section 2000) of Division 2 of the Business and Professions Code.

(5) "Indirect ownership interest" means an ownership interest in a person or entity that has an ownership interest in the chronic dialysis clinic. This term includes an ownership interest in any person or entity that has an indirect ownership interest in the chronic dialysis clinic.

(6) "Nurse practitioner" means a registered nurse licensed pursuant to Chapter 6 (commencing with Section 2700) of Division 2 of the Business and Professions Code and certified as a nurse practitioner by the Board of Registered Nursing.

(7) "Ownership interest" means an interest through equity, debt, or other means, including the possession of equity in the capital, stock, or profits of a chronic dialysis clinic; an interest in the revenue of a chronic dialysis clinic; partnership shares; limited liability company memberships; or an interest in any mortgage, deed of trust, note, or other obligation secured by a chronic dialysis clinic.

(8) "Person" means a natural person, firm, association, organization, partnership, business trust, company, joint stock company, corporation, limited liability company, joint venture, or other organizations of persons.

(9) "Physician assistant" means a physician assistant licensed pursuant to Chapter 7.7 (commencing with Section 3500) of Division 2 of the Business and Professions Code.

SEC. 5. Section 1226.9 is added to the Health and Safety Code, to read:

1226.9. (a) Prior to closing a chronic dialysis clinic, or substantially reducing or eliminating the level of services provided by a chronic dialysis clinic, the clinic or its governing entity must provide written notice to, and obtain the written consent of, the department.

(b) The department shall have discretion to consent to, give conditional consent to, or not consent to, any proposed closure or substantial reduction or elimination of services. In making its determination, the department may take into account information submitted by the clinic, its governing entity, and any other interested party and shall consider any factors that the department considers relevant, including, but not limited to, the following:

(1) The effect on the availability and accessibility of health care services to the affected community, including, but not limited to, the clinic's detailed plan for ensuring patients will have uninterrupted access to care.

(2) Evidence of good faith efforts by the clinic or governing entity to sell, lease, or otherwise transfer ownership or operations of the clinic to another entity that would provide chronic dialysis care.

(3) The financial resources of the clinic and its governing entity.

(c) For purposes of this section, the following definitions shall apply:

(1) "Chronic dialysis clinic" has the same meaning as in Section 1204.

(2) "Governing entity" has the same meaning as in Section 1226.7.

SEC. 6. Section 1226.10 is added to the Health and Safety Code, to read:

1226.10. (a) If a chronic dialysis clinic or governing entity disputes a determination by the department pursuant to Section 1226.8 or 1226.9, the chronic dialysis clinic or governing entity may, within 10 working days, request a hearing pursuant to Section 131071. A chronic dialysis clinic or governing entity shall pay all administrative penalties when all appeals have been exhausted if the department's position has been upheld.

(b) For purposes of this section, the following definitions shall apply:

(1) "Chronic dialysis clinic" has the same meaning as in Section 1204.

(2) "Governing entity" has the same meaning as in Section 1226.7.

SEC. 7. Section 1266.3 is added to the Health and Safety Code, to read:

1266.3. It is the intent of the people that California taxpayers not be financially responsible for implementation and enforcement of the Protect the Lives of Dialysis Patients Act. In order to effectuate that intent, when calculating, assessing, and collecting fees imposed on chronic dialysis clinics pursuant to Section 1266, the department shall take into account all costs associated with implementing and enforcing Sections 1226.7 to 1226.10, inclusive.

SEC. 8. Nothing in this act is intended to affect health facilities licensed pursuant to subdivision (a),

(b), or (f) of Section 1250 of the Health and Safety Code.

SEC. 9. (a) The State Department of Public Health is authorized to and, within one year following the act's effective date, shall adopt regulations implementing Sections 1226.8 and 1226.9 of the Health and Safety Code to further the purposes of this act.

(b) If the department is unable to adopt the required final regulations within one year following the act's effective date, the adoption of emergency implementing regulations shall be deemed an emergency and necessary for the immediate preservation of the public peace, health, safety, or general welfare, in which case the department shall adopt initial emergency implementing regulations no later than one year following the act's effective date, or as soon thereafter as is practicable. If such emergency regulations are adopted, the department shall adopt the required final regulations by the time the emergency regulations expire.

SEC. 10. Pursuant to subdivision (c) of Section 10 of Article II of the California Constitution, this act may be amended either by a subsequent measure submitted to a vote of the people at a statewide election; or by a statute validly passed by the Legislature and signed by the Governor, but only to further the purposes of the act.

SEC. 11. (a) In the event that this initiative measure and another initiative measure or measures relating to the regulation of chronic dialysis clinics or the treatment and care of dialysis patients appear on the same statewide election ballot, the other initiative measure or measures shall be deemed to be in conflict with this measure. In the event that this initiative measure receives the highest number of affirmative votes, the provisions of this measure shall prevail in their entirety, and the provisions of the other initiative measure or measures shall be null and void.

(b) If this initiative is approved by the voters but superseded in whole or in part by any other conflicting ballot measure approved by the voters at the same election, and such conflicting measure is later held invalid, this measure shall be self-executing and given full force and effect.

SEC. 12. The provisions of this act are severable. If any provision of this act or its application is held invalid, that invalidity shall not affect the remaining portions of this act or any application that can be given effect without the invalid provision or application. The people of the State of California hereby declare that they would have adopted this act and each and every portion, section, subdivision, paragraph, clause, sentence, phrase, word, and application not declared invalid or unconstitutional without regard to whether any portion of this act or application thereof would be subsequently declared invalid.

PROPOSITION 30

This initiative measure is submitted to the people in accordance with the provisions of Section 8 of Article II of the California Constitution.

This initiative measure adds sections to the Public Resources Code and the Revenue and Taxation Code; therefore, new provisions proposed to be added are printed in *italic type* to indicate that they are new.

PROPOSED LAW

SECTION 1. Division 47 (commencing with Section 80200) is added to the Public Resources Code, to read:

DIVISION 47. REDUCTION AND MITIGATION OF MAJOR SOURCES OF GREENHOUSE GAS EMISSIONS

CHAPTER 1. CLEAN CARS AND CLEAN AIR ACT

Article 1. Title, Findings and Declarations, Statement of Purpose

80200. Title

This division shall be known, and may be cited, as the Clean Cars and Clean Air Act.

80201. Findings and Declarations

The people of the State of California find and declare all of the following:

(a) Climate change is already having a disruptive impact on California. Our state is increasingly experiencing record-setting wildfires and droughts that ruin our air quality, damage California's iconic natural beauty, destroy property, hurt our state's economy, and cost lives. In order to achieve the state's carbon goals and avoid the worst impacts of climate change, action is needed now regarding two of the largest sources of greenhouse gas (GHG) emissions in our state: transportation and wildfires.

(b) Transportation remains California's largest source of the GHG emissions that cause climate change. We need to dramatically increase all Californians' access to affordable zero-emission vehicles (ZEVs), including electric vehicles and the necessary related charging infrastructure, in order to meet our climate goals.

(c) Electric vehicles remain too expensive for many Californians who are already dealing with the high cost of living in this state. Existing financial help for consumers has not been enough for low- and middle-income California families or many organizations to be able to purchase or lease an electric vehicle. We need to make electric vehicles more affordable for all Californians so we can significantly reduce GHG emissions from our transportation sector.

(d) California lacks the electric vehicle charging infrastructure needed to ensure Californians with electric vehicles have convenient access to vehicle charging at home, at work, and everywhere they may travel throughout the state. We need to develop a network of affordable charging stations for homes,

workplaces, apartments, and throughout the state so that driving a battery-powered electric vehicle is just as convenient as driving a gas-powered car.

(e) California also needs to lower emissions from medium- and heavy-duty vehicles like buses and big-rig trucks that are the source of significant GHG emissions and pollutants, particularly in low-income and disadvantaged communities. Converting buses and large trucks to electric vehicles will significantly reduce GHG emissions from the transportation sector and will clean up the air we all breathe.

(f) In addition to helping our state reach its GHG reduction goals, investing in electric vehicle charging infrastructure in our state will create thousands of good-paying green jobs for skilled workers.

(g) Climate change and catastrophic wildfires are closely linked. As climate change gets worse, wildfires get worse, which in turn releases more climate-changing carbon emissions into the air. The continued escalation of wildfires in California is thwarting our state's fight against climate change. In 2020 alone, wildfires emitted the same amount of GHGs as over 24 million cars. Wildfires now emit more GHGs in California than power plants.

(h) This division dedicates additional resources specifically to preventing future catastrophic wildfires and to putting them out sooner before they do additional damage to our climate goals, our economy, our homes and communities, and the health of our families.

(i) In addition to being primary sources of GHG emissions, transportation and wildfires also directly pollute our air with particulate matter and smoke, worsening our air quality and threatening our health and quality of life. More than 90 percent of Californians now breathe unhealthy levels of air pollutants at some point during the year. Seven of the 10 smoggiest cities in the United States are in California. The increasing prevalence of catastrophic wildfires, which also destroys lives and property, dramatically worsens air quality throughout the entire state. The number of unhealthy smoke days has increased 230 percent in Los Angeles and San Diego and 400 percent in San Jose since just 2016. This wildfire smoke, which is a complex mixture of air pollutants, is unhealthy to breathe and can be especially dangerous for children, the elderly, pregnant women, and people with heart or respiratory conditions. Reducing GHG emissions from transportation and wildfires is particularly important because it has the added benefit of cleaning up our state's air quality.

(j) Our state's future and our ability to meet our climate goals while improving our air quality in the process depends on cleaner transportation and fewer catastrophic wildfires. But not everyone pays their fair share. Wealthy individuals use loopholes in the tax code to avoid paying their fair share for public services in our state, requiring lower- and middle-income Californians to pay more to make up the difference.

(k) This division requires an equitable contribution from the highest-income earners to fund a generational public investment towards meeting our climate change goals through a cleaner transportation sector and by preventing and suppressing catastrophic wildfires. Specifically, investments in access to electric vehicles and electric vehicle charging infrastructure for all Californians and improvements in the prevention and suppression of catastrophic wildfires will generate unprecedented environmental and economic benefits for our state.

(l) Along with electric vehicles, there are other zero-emission vehicles like hydrogen fuel cell vehicles. These vehicles have applications for both passenger vehicles and medium- and heavy-duty vehicles like buses, garbage trucks, and big-rig trucks. This measure further reduces GHG emissions by providing additional resources to help California residents afford these vehicles and to develop the necessary infrastructure for fueling and charging them.

(m) As California continues on its path to 100 percent clean electricity, the large-scale deployment of electric vehicles and electric vehicle charging infrastructure can lead to a stronger and more reliable electricity grid and lower electricity rates while also reducing GHG emissions. Because electric vehicles can be charged when there is spare capacity on the grid and when there is an abundance of clean electricity, they can improve the utilization and operation of the system, reducing the price of electricity to the benefit of all utility customers. This division requires state agencies to prioritize grid reliability and resilience.

80202. Statement of Purpose

The purpose of this division is to reduce emissions from transportation and wildfires, which are two of the state's primary sources of GHGs, through public investments in electrification of vehicles used in California and improvements in the prevention and suppression of catastrophic wildfires while improving our air quality in the process.

Article 2. Clean Cars and Clean Air Trust Fund

80203. Creation of the Clean Cars and Clean Air Trust Fund

(a) The Clean Cars and Clean Air Trust Fund is hereby established in the State Treasury.

(b) Notwithstanding any other law, all of the following apply:

(1) The fund is a special fund, permanently separate and apart from the General Fund or any other state fund or account.

(2) The fund, and every sub-fund and account within the fund, is hereby declared to be a trust fund, trust sub-fund, or trust account.

(c) Except as expressly provided in this division, moneys deposited into, or required to be deposited into, the fund, and any interest earned on those moneys, shall not be permanently or temporarily borrowed, loaned, or otherwise transferred to the

General Fund or other funds in the State Treasury. Moneys deposited into the fund, and any sub-fund or account within the fund, including any interest earned on those moneys, shall only be used for the specific purposes set forth in this division. No action shall be taken that permanently or temporarily changes the status of the fund as a trust fund and special fund, or borrows, diverts, or appropriates the moneys in the fund, or moneys required to be deposited into the fund, in a manner inconsistent with this division.

80204. Fund Oversight and Accountability

(a) The people of the State of California hereby declare their unqualified intent for the moneys deposited into the fund to be used to support the purposes set forth in this division without delay or interruption. The purpose of this section is to provide oversight and accountability mechanisms to guarantee that the people's intent is carried out.

(b) (1) The Attorney General shall expeditiously investigate, and may seek civil or criminal fines and penalties for, any misuse or unauthorized use of moneys deposited into, or allocated from, the fund or any sub-fund or account within the fund.

(2) In addition to any other remedy available at law, if any recipient of moneys provided pursuant to this division is determined by final judicial or administrative judgment, settlement, or resolution to have willfully or knowingly used those moneys in a manner not permitted by this division or the regulations adopted pursuant to this division, that recipient shall be permanently ineligible for receipt of additional moneys provided pursuant to this division. For purposes of this paragraph, "recipient of moneys" shall not include a state agency or department receiving a continuous appropriation pursuant to this division.

(3) Any fines recovered by the Attorney General pursuant to this subdivision shall be retained by the Attorney General.

(c) The nonpartisan California State Auditor shall conduct a biennial independent financial audit of the programs receiving moneys from the fund. The California State Auditor shall report the findings to the Governor and both houses of the Legislature, and shall make the findings available to the public on its internet website.

(d) Every four years, the Controller shall conduct a performance audit of efforts and programs funded with moneys from the fund to ensure the moneys are disbursed and expended solely according to this division, shall report the findings to the Governor and both houses of the Legislature, and shall make the findings available to the public on its internet website.

(e) (1) The California State Auditor and the Controller shall each be separately reimbursed from moneys in the fund for actual costs incurred in conducting the financial audit required by subdivision (c) and the performance audit required by subdivision (d), in an

amount not to exceed six hundred thousand dollars (\$600,000) per audit.

(2) The six hundred thousand dollar (\$600,000) per audit maximum limit shall be adjusted decennially to reflect any increase in inflation as measured by the Consumer Price Index for All Urban Consumers (CPI-U). The Treasurer's office shall calculate and publish the adjustments required by this paragraph.

80205. Sub-Funds within the Fund

After deducting and transferring the necessary moneys pursuant to Section 80204 for the California State Auditor's financial audit and the Controller's performance audit, the Controller shall allocate and transfer the remaining moneys in the fund to the following sub-funds, in the following amounts:

(a) Thirty-five percent to the ZEV Infrastructure Investment Plan Sub-Fund, which is hereby created in the fund.

(b) Forty-five percent to the ZEV and Clean Mobility Sub-Fund, which is hereby created in the fund.

(c) Twenty percent to the Wildfire GHG Emissions Reduction Sub-Fund, which is hereby created in the fund.

80206. Continuous Appropriation of Moneys in the Fund

Notwithstanding Section 13340 of the Government Code, and except for payment of tax refunds, all moneys deposited into the sub-funds created within the fund pursuant to Section 80205, together with interest earned on those moneys, are hereby continuously appropriated, without regard to fiscal years, as follows:

(a) All moneys in the ZEV Infrastructure Investment Plan Sub-Fund to the commission solely for the purposes set forth in Chapter 2 (commencing with Section 80210).

(b) All moneys in the ZEV and Clean Mobility Sub-Fund to the state board solely for the purposes set forth in Chapter 3 (commencing with Section 80217).

(c) All moneys in the Wildfire GHG Emissions Reduction Sub-Fund to the department solely for the purposes set forth in Chapter 4 (commencing with Section 80223).

80207. Administration

(a) (1) The commission, the department, the state board, and any other state or local government agency receiving moneys from the fund, shall use no more than 5 percent of the moneys in any sub-fund or account in the fund, or moneys received from any sub-fund or account in the fund, for administrative expenses.

(2) For purposes of this subdivision, "administrative expenses" does not include expenses for public outreach.

(b) The commission, the department, and the state board shall expend and distribute moneys in the ZEV Infrastructure Investment Plan Sub-Fund, the ZEV

and Clean Mobility Sub-Fund, and the Wildfire GHG Emissions Reduction Sub-Fund, and any accounts therein, on a July 1 to June 30 fiscal-year basis. Programs established pursuant to this division shall be budgeted and funded on the same July 1 to June 30 fiscal-year basis.

(c) In designing programs and determining funding allocations as required by this division, the commission, the department, and the state board shall consult with other appropriate local, regional, state, and federal agencies.

(d) No moneys in the fund shall be used in a manner that permits public utility electrical corporations to either of the following:

(1) Avoid making investments with shareholder dollars they are legally compelled to make.

(2) Earn any profit off of the public investments funded by this division that have the effect of making electrical systems safer.

(e) In order to fast-track efforts to reduce GHG emissions from transportation and wildfires, the commission, the department, and the state board shall make every effort to commence awarding financial incentives and making expenditures as set forth in this division by no later than the second January 1 occurring after the effective date of this division.

80208. Treatment of Revenues Deposited in and Expended from the Fund

(a) This section is intended to ensure the greatest public investment in the purpose and subject of this division which is to reduce GHG emissions from two of the state's primary sources of GHGs, transportation and wildfires.

(b) Special Trust Fund Revenues

(1) Notwithstanding any other law to the contrary, the tax imposed by Section 17044 of the Revenue and Taxation Code and the revenue derived from the collection of the tax, including interest and penalties but less payment of refunds, shall be deposited into the fund, which is a special fund and trust fund permanently and irrevocably separate and apart from the General Fund. Moneys in the fund are continuously appropriated without regard to fiscal year for the purposes set forth in this division.

(2) Notwithstanding any other law to the contrary, the tax and the revenue resulting from the collection of the tax described in paragraph (1) shall not be considered to be part of the General Fund, as that term is used in Chapter 1 (commencing with Section 16300) of Part 2 of Division 4 of Title 2 of the Government Code, shall not be considered General Fund revenues for purposes of Section 8 of Article XVI of the California Constitution and its implementing statutes, and shall not be considered "General Fund revenues," "state revenues," "moneys," or "General Fund proceeds of taxes" for purposes of subdivisions

(a) and (b) of Section 8 of Article XVI of the California Constitution and their implementing statutes.

(c) Appropriations for Qualified Capital Outlay Expenditures and Tax Refunds

(1) In addition to the appropriations for qualified capital outlay projects described in Section 7914 of the Government Code, an appropriation for a "qualified capital outlay project," as used in subdivision (d) of Section 9 of Article XIII B of the California Constitution, also means an appropriation for any of the following regardless of the asset's useful life or value:

(A) A financial incentive or subsidy of any kind for a zero-emissions vehicle fueling or charging station pursuant to Chapter 2 (commencing with Section 80210), including construction and deployment thereof.

(B) A financial incentive or subsidy of any kind for purchase of a light-, medium-, or heavy-duty ZEV pursuant to Chapter 3 (commencing with Section 80217), if the ZEV is purchased by a state or local government agency.

(2) (A) During any fiscal year in which the state receives revenues in excess of the state appropriations limit for purposes of Article XIII B of the California Constitution, or in the fiscal year immediately following that occurrence, the commission and the state board may restructure the financial incentives and other subsidies of any kind provided pursuant to Chapter 2 (commencing with Section 80210) and Chapter 3 (commencing with Section 80217) to California residents as a tax refund that can only be spent for the purposes set forth in those chapters.

(B) The commission and the state board shall only restructure financial incentives and other subsidies pursuant to subparagraph (A) upon a written request from the Director of Finance. The commission and the state board shall coordinate with the Department of Finance in implementing this paragraph.

80209. Nonsupplantation

(a) Except as provided in subdivision (c), moneys in the fund are intended to be used to increase and enhance the achievement of the purposes and objectives described in this division, and not to replace any other existing revenues for those purposes and objectives.

(b) The commission, the department, and the state board shall annually prepare a report detailing whether or not compliance with subdivision (a) is being achieved.

(c) Notwithstanding subdivision (a), reduction or elimination of funding for the Clean Vehicle Rebate Project, established as a part of the Air Quality Improvement Program pursuant to Article 3 (commencing with Section 44274) of Chapter 8.9 of Part 5 of Division 26 of the Health and Safety Code, does not violate this section.

CHAPTER 2. ZEV INFRASTRUCTURE PROGRAM

Article 1. Purpose of Chapter

80210. Purpose

The purpose of this chapter is to reduce GHG emissions from California's transportation sector by:

(a) Making refueling a ZEV more accessible and convenient than refueling a diesel- or gasoline-powered vehicle for every Californian regardless of where they live or work.

(b) Closing any ZEV infrastructure or electric grid gaps in the state identified by the commission pursuant to Section 25229 or another relevant state agency analysis to ensure that California residents can fuel ZEVs where they live, work, and play.

(c) Increasing access for disadvantaged, low-income, and moderate-income communities and consumers to passenger ZEV fueling infrastructure, and increasing the placement of those passenger ZEV infrastructure in those communities and with those consumers in order to lower GHG emissions, enhance the air quality, and promote overall benefits for those communities and consumers.

(d) Ensuring the state's electric grid is prepared for the clean vehicle future accelerated by this division.

(e) Achieving GHG emissions reductions while maximizing domestic manufacturing and high-quality job growth in California.

Article 2. Implementation by the State Energy Resources Conservation and Development Commission

80211. Implementation

(a) The commission shall use the moneys in the ZEV Infrastructure Investment Plan Sub-Fund, and the accounts established in the sub-fund, to fund construction, planning, deployment, operation, or maintenance of ZEV fueling stations in this state, certification programs for personnel installing ZEV fueling stations, and public education outreach necessary to ensure California residents are aware of, and educated on, how to use the incentives made available by this chapter. The commission may use moneys in the ZEV Infrastructure Investment Plan Sub-Fund, and the accounts established in the sub-fund, for direct expenditures, rebates, grants, block grants, or loans.

(b) The commission shall consult and coordinate with the Public Utilities Commission, applicable public utility electrical corporations, and applicable local publicly owned electric utilities to ensure both of the following so that the purposes of this chapter can be accomplished without delay:

(1) Electric utilities plan, engineer, and construct the necessary infrastructure on the utility side of the meter, and that the work is funded in a timely manner.

(2) None of the activities compromise the reliability of the electric grid.

(c) The commission shall be guided by, but not limited to, all of the following principles in designing any program using funds under this chapter:

(1) Low costs to drivers to ensure that drivers have the opportunity for ZEV charging at a reasonable cost.

(2) Price transparency to strive for transparency of charging or fueling pricing allowing drivers to know what they will be charged for charging or fueling before arriving at a ZEV fueling station.

(3) Long-term reliability to ensure that the ZEV charging or fueling infrastructure continues to be well-maintained, operational, and available over the long-term.

(4) Grid support to ensure that drivers and fleet operators benefit from charging and load management in a manner that supports operation of the electric grid.

(5) Robust grid to ensure that the electric grid can support ZEV charging, remains reliable, and can take advantage of the flexible nature of ZEV-related load and energy storage inherent in vehicle batteries, in collaboration with other relevant state agencies.

(6) Equitable access to ensure that all California residents can access ZEV fueling.

80212. Accounts

(a) Moneys in the ZEV Infrastructure Investment Plan Sub-Fund shall be deposited into the following accounts, which are hereby established in the sub-fund:

(1) Except as provided in subdivision (d), 50 percent into the Infrastructure Access Account.

(2) After the deposit into the Infrastructure Access Account pursuant to paragraph (1), the remainder shall be deposited into the General Infrastructure Account.

(b) Moneys in the Infrastructure Access Account shall be dedicated solely for projects and activities, and to the benefit of people, in low-income and disadvantaged communities.

(c) For at least the five consecutive fiscal years commencing July 1, 2023, the commission shall ensure that the following spending minimums are met for moneys in both the Infrastructure Access Account and the General Infrastructure Account:

(1) At least 20 percent shall be spent on programs, projects, or activities authorized by Article 3 (commencing with Section 80213) of this chapter.

(2) At least 10 percent shall be spent on programs, projects, or activities authorized by Article 4 (commencing with Section 80214) of this chapter.

(3) At least 10 percent shall be spent on programs, projects, or activities authorized by Article 5 (commencing with Section 80215) of this chapter.

(4) At least 10 percent shall be spent on programs, projects, or activities authorized by Article 6 (commencing with Section 80216) of this chapter.

(d) (1) On and after July 1, 2026, the maximum balance in the Infrastructure Access Account shall be 200 percent of the average annual amount deposited in the account during the immediately prior two fiscal years.

(2) As long as the Infrastructure Access Account is at or above its maximum balance, moneys otherwise required to be deposited into that account shall instead be deposited into the General Infrastructure Account.

Article 3. Multifamily Dwelling ZEV Charging Stations

80213. Multifamily Dwelling ZEV Charging Stations

(a) Moneys in the Infrastructure Access Account and General Infrastructure Account shall be used to fund construction, planning, deployment, operation, or maintenance of charging stations at or near multifamily dwelling properties to serve residents of multifamily dwelling properties.

(b) In allocating moneys pursuant to this section, the commission shall consider charging hardware or systems that support the operation and cost-effectiveness of the electric grid.

(c) When awarding moneys directly to third-party providers of charging station construction, planning, equipment, maintenance, operation, or installation, the commission shall award moneys based on a competitive process.

Article 4. Single-Family Dwelling ZEV Charging Stations

80214. Single-Family Dwelling ZEV Charging Stations

(a) Moneys in the Infrastructure Access Account and General Infrastructure Account shall be used to fund charging stations and electrical upgrades at single-family dwelling properties as set forth in this section.

(b) (1) Moneys described in subdivision (a) shall be made available as rebates, block grants, grants, or direct expenditures for electrical work, including wiring, conduit, or electric panel upgrades and purchase or installation of commission-approved level 2 charging hardware or charging systems, at single-family dwelling properties.

(2) In allocating moneys under this section, the commission shall consider charging hardware or systems that support the operation and cost-effectiveness of the electric grid.

Article 5. Passenger ZEV Fast-Fueling Infrastructure

80215. Funding for Passenger ZEV Fast-Fueling Infrastructure

(a) Moneys in the Infrastructure Access Account and General Infrastructure Account shall be used to fund deployment of passenger ZEV fast-fueling infrastructure as set forth in this section.

(b) (1) Moneys described in subdivision (a) shall be made available as rebates, block grants, grants, subsidized loans, or direct expenditures for

deployment of passenger ZEV fast-fueling infrastructure.

(2) The commission shall prioritize allocations for projects in low-income and disadvantaged communities, locations near multifamily dwelling properties that cannot be served by onsite charging infrastructure, city centers, airports, and other locations that the commission determines are not well-served by passenger ZEV fast-fueling infrastructure. In addition, the commission may prioritize allocations for projects at critical infrastructure locations along emergency egress routes.

(c) The State of California shall prioritize, work with local governments, and fast-track, to the maximum extent possible, permitting and zoning for installation of passenger ZEV fast-fueling infrastructure in order to minimize the time needed to make those fueling stations operational.

(d) When awarding moneys directly to third-party providers of fast-fueling station equipment, maintenance, operation, and installation, the commission shall award moneys based on a competitive process.

(e) The state shall make available state-owned properties as sites for installation of passenger ZEV fast-fueling infrastructure where doing so is feasible, reasonable, cost-effective, and would further the purposes of this division.

Article 6. Medium- and Heavy-Duty ZEV Fueling Infrastructure

80216. Funding for Medium- and Heavy-Duty ZEV Fueling Infrastructure

(a) Moneys in the Infrastructure Access Account and General Infrastructure Account shall be used to fund deployment of medium- and heavy-duty ZEV fueling infrastructure as set forth in this section.

(b) (1) Moneys described in subdivision (a) shall be made available as rebates, block grants, grants, subsidized loans, or direct expenditures for deployment of medium- and heavy-duty ZEV fueling infrastructure.

(2) The commission shall prioritize allocations for projects in locations that the commission determines are not well-served by medium- and heavy-duty ZEV fueling infrastructure.

(c) The State of California shall prioritize, work with local governments, and fast-track, to the maximum extent possible, permitting and zoning for installation of medium- and heavy-duty ZEV fueling infrastructure under this section in order to minimize the time needed to make that fueling infrastructure operational.

(d) When awarding moneys directly to third-party providers of medium- and heavy-duty ZEV fueling infrastructure equipment, maintenance, operation, and installation, the commission shall award moneys based on a competitive process.

(e) The state shall make available state-owned properties as sites for installation of medium- and heavy-duty ZEV fueling infrastructure under this section where doing so is feasible, reasonable, cost-effective, and would further the purposes of this division.

CHAPTER 3. ZEV AFFORDABILITY PROGRAM

Article 1. Purpose of Chapter

80217. Purpose

The purpose of this chapter is to reduce GHG emissions from California's transportation sector by doing all of the following:

(a) Making ZEVs accessible and affordable to all California residents.

(b) Converting passenger vehicles, which are the state's largest single source of GHG emissions, to ZEVs as quickly as possible.

(c) Converting medium-, heavy-duty, and off-road vehicles to ZEVs with a focus on benefitting the air quality in low-income and disadvantaged communities while reducing GHG emissions.

(d) Increasing access to zero-emission clean mobility options that do not require car ownership.

(e) Providing access to, and affordability for, moderate-income, low-income, and disadvantaged communities and consumers to ZEVs, to increase the placement of ZEVs in those communities and with those consumers to lower GHG emissions, enhance air quality, and promote overall benefits for those communities and consumers.

(f) Converting passenger vehicles that are used for high-utilization purposes to ZEVs as quickly as possible in order to reduce GHG emissions as quickly as possible.

(g) Maximizing domestic manufacturing and high-quality job growth in California.

Article 2. Implementation by the State Air Resources Board

80218. Implementation

(a) The state board shall use the moneys in the ZEV and Clean Mobility Sub-Fund, and the accounts established in the sub-fund to fund rebates, loans, block grants, grants, and other financial incentives for programs authorized under this chapter, and public education outreach necessary to ensure California residents are aware of, and educated on how to use, those programs.

(b) Passenger vehicles are the largest single-source of GHG emissions in this state. To effectively reduce GHG emissions from passenger vehicles, the state board shall ensure that, during at least the five consecutive fiscal years commencing July 1, 2023, at least two-thirds of the total moneys deposited in the ZEV and Clean Mobility Sub-Fund shall be allocated to projects, programs, purposes, and activities that support the deployment of passenger ZEVs operated in this state.

80219. Accounts

(a) Except as provided in subdivision (c), moneys in the ZEV and Clean Mobility Sub-Fund shall be deposited into the following accounts as follows, which are hereby established in the sub-fund:

(1) Fifty percent into the ZEV Equity and Air Quality Account.

(2) Fifty percent into the ZEV General Account.

(b) Moneys in the ZEV Equity and Air Quality Account shall be allocated to fund programs that primarily benefit people who live in low-income and disadvantaged communities. Programs eligible for funding from the ZEV Equity and Air Quality Account include, but are not limited to, the programs described in Article 3 (commencing with Section 80220).

(c) (1) On and after July 1, 2026, the maximum balance in the ZEV Equity and Air Quality Account shall be 200 percent of the average annual amount deposited in the account during the immediately prior two fiscal years.

(2) As long as the ZEV Equity and Air Quality Account is at or above its maximum balance, 100 percent of the moneys transferred to the ZEV and Clean Mobility Sub-Fund shall be deposited into the ZEV General Account.

**Article 3. GHG Reduction, Affordability,
Equity, and Air Quality Programs**

80220. Eligible Programs

Programs eligible for funding pursuant to this chapter may include, but are not limited to, programs that do any of the following:

(a) Provide block grants, grants, loans, or other incentives for zero-emission school buses so pupils ride to school in ZEVs.

(b) Provide block grants, grants, loans, or other incentives for zero-emission transit buses so people get to where they need to go in ZEVs.

(c) Provide incentives, grants, and block grants for governments and businesses to buy medium-, heavy-duty, and off-road agricultural and construction ZEVs.

(d) Provide financing assistance to help those without access to capital or high credit acquire new and used ZEVs.

(e) Help people retire old polluting vehicles and replace them with new and used ZEVs or other zero-emission mobility options.

(f) Help agricultural workers and others use zero-emission vanpools.

(g) Provide local air quality benefits in communities overburdened by diesel pollution, in addition to reducing GHG emissions.

(h) Increase access to clean mobility options, including, but not limited to:

(1) Electric bikes.

(2) Bike sharing.

(3) Protected bike lanes.

(4) Transit passes.

(i) Provide financial incentives pursuant to Article 4 (commencing with Section 80221).

**Article 4. Factory New Passenger
ZEV Incentive Program**

80221. Factory New Passenger ZEV Incentive Program

(a) (1) The state board shall establish a factory new ZEV incentive program pursuant to this article.

(2) Moneys in the ZEV General Account shall be used to fund rebates, subsidies, grants, and other financial incentives determined by the state board for all California residents to purchase or lease factory new ZEVs, as set forth in this section. Moneys in the ZEV Equity and Air Quality Account may also be used for this purpose.

(b) In dispersing moneys pursuant to this section, the state board shall prioritize applications in the following order:

(1) Applications from California residents described in paragraph (1) of subdivision (a) of Section 80228.

(2) Applications from California residents described in paragraphs (2) and (3) of subdivision (a) of Section 80228 for passenger ZEVs for high-utilization purposes.

(3) Applications from other California residents described in paragraphs (2) and (3) of subdivision (a) of Section 80228.

(c) (1) A California resident described in paragraph (1) of subdivision (a) of Section 80228 shall be eligible for a refundable point-of-sale rebate when purchasing or leasing a factory new ZEV. The rebate shall be transferable to licensed automobile dealers and other financing entities.

(2) Rebate amount and eligibility for California residents described in paragraph (1) of this subdivision shall be determined by the state board. In determining rebate amount and eligibility, the state board shall prioritize maximizing the number of California residents who gain the ability to afford to lease or purchase a factory new ZEV as a result of this section.

(d) (1) California residents described in paragraphs (2) and (3) of subdivision (a) of Section 80228 shall be eligible for a point-of-sale rebate per vehicle purchased to apply toward the purchase or lease of factory new ZEVs for use in California. Rebates provided pursuant to this subdivision shall be funded from the ZEV General Account.

(2) Rebate amount and eligibility for California residents described in paragraphs (2) and (3) of subdivision (a) of Section 80228 shall be determined by the state board. Rebate amounts and allocations shall be consistent with meeting the state's ZEV and climate goals and regulations.

(3) In determining rebate amount and eligibility, the state board shall prioritize achieving the greatest reduction in GHG emissions from California's transportation sector. The state board shall establish rebate amount and eligibility under this subdivision in a manner that furthers the purposes described in subdivisions (b) and (f) of Section 80217.

(e) The state board may impose a reasonable limit on the number or aggregate value of rebates a California resident may obtain in a single fiscal year, so long as the state board demonstrates by clear and convincing evidence that the limit does not undermine the accomplishment of the purposes described in subdivisions (b) and (f) of Section 80217.

(f) Subject to the priorities listed in subdivision (b), the state board shall make every effort to disburse all moneys in the ZEV General Account for permissible uses under this section by the end of each fiscal year consistent with the purposes set forth in this chapter.

Article 5. Minimum Ownership or Lease Requirements for Compliance with this Chapter

80222. Minimum Registration Requirements

If an incentive is obtained pursuant to this chapter for the purchase or lease of a ZEV, the state board may require the vehicle to be registered with the Department of Motor Vehicles for a specified period of time.

CHAPTER 4. REDUCING WILDFIRE GHG EMISSIONS

Article 1. Purpose of Chapter

80223. Purpose

The purposes of this chapter are as follows:

(a) To ensure the State of California and local governments have sufficient firefighting capacity to reduce the amount of GHG emissions from extreme wildfires, while also reducing the air pollution that wildfires produce.

(b) To reduce GHG emissions from extreme fire events in California through improvements in wildfire suppression, prevention, mitigation, resilience, and preparedness, and restoration and maintenance of a more natural, safer fire regime on California's landscapes.

(c) To mitigate, prevent, and suppress impacts, including GHG emissions, of extreme wildfire events upon people, essential infrastructure, and communities.

(d) To advance wildfire prevention implementation activities.

Article 2. Wildfire Prevention, Mitigation, and Suppression Resources

80224. Accounts

(a) Moneys in the Wildfire GHG Emissions Reduction Sub-Fund shall be deposited into the following accounts, which are hereby established in the sub-fund:

(1) Twenty-five percent into the State Fire Marshal Prevention and Suppression Account.

(2) Seventy-five percent into the General Prevention and Suppression Account.

(b) During the six fiscal years commencing July 1, 2024, and ending June 30, 2030, up to 25 percent of the moneys deposited in the General Prevention and Suppression Account shall be used for wildfire prevention and resilience efforts, including efforts described in paragraphs (4) to (6), inclusive, of subdivision (a) of Section 80226.

80225. Fire Prevention and Suppression Efforts Within the Office of State Fire Marshal

(a) Moneys in the State Fire Marshal Prevention and Suppression Account shall be available for the exclusive distribution and use by the Office of the State Fire Marshal for wildfire prevention and suppression efforts as set forth in this section.

(b) Fire prevention and suppression efforts funded by the State Fire Marshal Prevention and Suppression Account shall be selected by the Office of the State Fire Marshal in conjunction with a statewide apprenticeship committee established to improve the quality of education and training within the fire service and set professional standards for firefighters in the state.

80226. Additional Fire Prevention and Suppression Resources

(a) Moneys in the General Prevention and Suppression Account shall be used by the department for additional efforts to prevent, manage, and suppress wildfires in this state. Moneys may be used for any of the following:

(1) Retaining, housing, training, and hiring departmental permanent and seasonal firefighters necessary to prevent and suppress wildfires.

(2) Advanced wildfire detection and monitoring systems, including camera and satellite networks.

(3) Improving fire suppression and safety infrastructure in fire-prone communities.

(4) Improving defensible spaces around homes and communities.

(5) Grants for home-hardening retrofits focused on low-income communities.

(6) Support activities and programs, including forest resilience programs, prescribed burning, watershed restoration and management, and vegetation management.

(b) In expending moneys pursuant to this section, primary priority shall be given to paragraph (1) of subdivision (a).

80227. Nonsupplantation

(a) Moneys in the Wildfire GHG Emissions Reduction Sub-Fund, and the accounts established in the sub-fund, shall be used to supplement, and not replace,

existing moneys appropriated for the purposes described in this chapter.

(b) The State of California bears the burden of proving by clear and convincing evidence that the moneys in the Wildfire GHG Emissions Reduction Sub-Fund, and the accounts established in the sub-fund, are not being used to supplant preexisting moneys appropriated for the purposes described in this chapter.

CHAPTER 5. DEFINITIONS

80228. Definitions

For purposes of this division, as used in both the singular and plural form, the following definitions shall apply:

(a) “California resident” means all of the following:

- (1) An individual resident of this state.
- (2) A legal entity that has employees or owns property in California.
- (3) A state or local government agency.

(b) “City center” means an area within an incorporated municipality intended by the city for development of an urban center with higher intensity residential, retail, office, and entertainment uses.

(c) “Commission” means the State Energy Resources Conservation and Development Commission established pursuant to Chapter 3 (commencing with Section 25200) of Division 15.

(d) “Department” means the Department of Forestry and Fire Protection established pursuant to Chapter 2.5 (commencing with Section 700) of Division 1.

(e) “Electric utility” is either a public utility electrical corporation or local publicly owned electric utility.

(f) “Fast-fueling infrastructure” includes, but is not limited to, electric vehicle charging at high power, including 150kW DCFC chargers and hydrogen fueling stations.

(g) “Fund,” when used as a proper noun, means the Clean Cars and Clean Air Trust Fund established in Section 80203.

(h) “Greenhouse gas” or “GHG” means carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), sulfur hexafluoride (SF₆), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), and other fluorinated greenhouse gases as defined in Section 95102 of Title 17 of the California Code of Regulations.

(i) “High-utilization purpose” means a use of a ZEV where the purchaser can provide documentation that that use is likely to result in more than 25,000 miles per year on average.

(j) “Level 2 charging station” means a charging station with a typical Voltage rating of 208-250V, a typical Amperage rating of 15-90 Amperes, and a typical male plug of SAE J1772 to mate or interact with a typical port or inductive charging or other charging system.

(k) “Licensed automobile dealer” means a person or entity licensed by the State of California to engage in the sale of motor vehicles.

(l) “Local publicly owned electric utility” has the same meaning as provided in Section 224.3 of the Public Utilities Code.

(m) (1) “Low-income and disadvantaged community” means any of the following:

(A) A disadvantaged community identified by the California Environmental Protection Agency pursuant to Section 39711 of the Health and Safety Code.

(B) A low-income community described in paragraph (2) of subdivision (d) of Section 39713 of the Health and Safety Code.

(2) “Low-income and disadvantaged community” also includes a low-income household, as defined in paragraph (1) of subdivision (d) of Section 39713 of the Health and Safety Code, that is outside of, but within a one-half mile of, a community described in subparagraph (A) of paragraph (1) of this subdivision.

(n) “Multifamily dwelling property” means a real property improvement intended for human habitation with more than four dwelling units.

(o) “Passenger ZEV” means a passenger vehicle as defined in Section 465 of the Vehicle Code that also meets the definition of a “zero-emission vehicle.”

(p) “Public utility electrical corporation” means an electrical corporation as defined in Section 218 of the Public Utilities Code that also meets the definition of a “public utility” as set forth in Section 216 of the Public Utilities Code.

(q) “Single-family dwelling property” means a real property improvement intended for human habitation with four or fewer dwelling units.

(r) “State board” means the State Air Resources Board established pursuant to Chapter 1 (commencing with Section 39000) of Part 1 of Division 26 of the Health and Safety Code.

(s) “State or local government agency” means the State of California, a city, a county, a city and county, or a special district, or any public authority, public agency, or other political subdivision or public corporation in the state.

(t) “Zero-emission vehicle” or “ZEV” means a vehicle that is eligible to earn compliance credits for zero-emission operations under the state board’s ZEV, Advanced Clean Truck, or other relevant regulations, as determined by the state board.

(u) “ZEV fueling” means, but is not limited to, electric vehicle electric-battery charging.

CHAPTER 6. REALLOCATION OF MONEYS

80229. Modification of Percentage Allocations of Moneys

(a) (1) The percentage allocation of money described in subdivision (c) of Section 80212 may be modified

by the commission after June 30, 2028, as set forth in this section.

(2) The percentage allocation of money described in subdivision (b) of Section 80218 may be modified by the state board after June 30, 2028, as set forth in this section.

(b) (1) All modifications to percentage allocations of money described in subdivision (a) shall be accomplished through a public process with at least a 30-day comment period, including at least one stakeholder workshop. The modification shall be consistent with an annual or multiyear investment plan.

(2) When making modifications pursuant to paragraph (1), the commission and the state board shall convene a stakeholder advisory committee to review and provide input into the annual or multiyear investment plan.

(c) The commission and the state board shall not propose a modification to the percentage allocations of money described in subdivision (a) unless and until the commission or the state board, as appropriate, does both of the following:

(1) Determines that another percentage allocation would better serve the purposes of this division.

(2) Publishes a report describing how the modification of the percentage allocation will better serve the purposes of this division.

CHAPTER 7. AMENDMENTS

80230. Amendment of Division

(a) (1) Except as provided in paragraph (2), the Legislature may amend this division by a statute passed in each house of the Legislature by rollcall vote entered into the journal, three-fourths of the membership concurring, provided that the statute is consistent with, and furthers the purpose of, this division.

(2) The Legislature may amend subdivision (a) of Section 80207 by a rollcall vote entered into the journal, two-thirds of the membership concurring, provided that the statute is consistent with, and furthers the purpose of, this division.

(b) No statute enacted after October 1, 2021, but before the effective date of this division, that would constitute an amendment of this division, shall be operative after the effective date of this division unless the statute was passed in accordance with the requirements of subdivision (a).

SEC. 2. Section 17044 is added to the Revenue and Taxation Code, to read:

17044. (a) For each taxable year beginning on or after January 1, 2023, in addition to any other taxes imposed by this part, an additional tax shall be imposed at the rate of 1.75 percent on that portion of a taxpayer's taxable income in excess of two million dollars (\$2,000,000).

(b) For purposes of applying Part 10.2 (commencing with Section 18401) of Division 2, the tax imposed under this section shall be treated as if imposed under Section 17041.

(c) The following shall not apply to the tax imposed by this section:

(1) The provisions of Section 17039, relating to the allowance of credits.

(2) The provisions of Section 17041, relating to filing status and recomputation of the income tax brackets.

(3) The provisions of Section 17045, relating to joint returns.

(d) The revenues generated from the tax imposed by this section shall be deposited into the Clean Cars and Clean Air Trust Fund established by Section 80203 of the Public Resources Code.

SEC. 3. Sunset.

(a) Except as provided in subdivision (b), the provisions of this act shall become inoperative as follows:

(1) Section 17044 of the Revenue and Taxation Code shall become inoperative on January 1, 2043.

(2) Division 47 (commencing with Section 80200) of the Public Resources Code shall become inoperative on June 30, 2043.

(b) (1) Notwithstanding subdivision (a), if for three consecutive calendar years on or after January 1, 2030, the statewide greenhouse gas emissions are at least 80 percent below the statewide 1990 level of greenhouse gas emissions as reported in the greenhouse gas inventory required under Section 39607.4 of the Health and Safety Code, the provisions of this act shall become inoperative as set forth in this subdivision.

(2) The section of this act described in paragraph (1) of subdivision (a) shall become inoperative on the January 1 following the calendar year in which the condition set forth in paragraph (1) is satisfied.

(3) The section of this act described in paragraph (2) of subdivision (a) shall become inoperative on the next June 30 following the end of the calendar year in which the condition set forth in paragraph (1) is satisfied.

(c) Any moneys remaining in the Clean Cars and Clean Air Trust Fund after Division 47 (commencing with Section 80200) of the Public Resources Code becomes inoperative shall be appropriated by the Legislature to further the purposes of this act.

(d) Any section of this act that becomes inoperative pursuant to this section is hereby repealed one year after the date the section becomes inoperative.

SEC. 4. Severability.

The provisions of this act are severable. If any portion, section, subdivision, paragraph, subparagraph, clause, sentence, phrase, word, or application of this act is for any reason held to be invalid by a decision of any

court of competent jurisdiction, that decision shall not affect the validity of the remaining portions of this act. The people of the State of California hereby declare that they would have adopted this act and each and every portion, section, subdivision, paragraph, subparagraph, clause, sentence, phrase, word, and application not declared invalid or unconstitutional without regard to whether any part of this act or application thereof would be subsequently declared invalid.

SEC. 5. Conflicting and Nonconflicting Initiative Measures.

The people of the State of California hereby find and declare all of the following:

(a) Conflicting Initiative Measures.

In the event that this initiative measure and another initiative measure or measures that raises state revenues to fund reductions in GHG emissions from transportation and wildfires appear on the same statewide election ballot, the other initiative measure or measures shall be deemed to be in conflict with this measure. In the event that this initiative measure receives a greater number of affirmative votes, the provisions of this measure shall prevail in their entirety, and the provisions of the other initiative measure or measures shall be null and void.

(b) Nonconflicting Initiative Measures.

(1) This initiative measure is an exercise of the statewide voters' initiative power pursuant to Section 1 of Article IV, and Section 8 of Article II, of the California Constitution.

(2) (A) Other initiative measures that deal with the procedures for the adoption of taxes, fees, and charges by the state Legislature, local legislative bodies, and local voters deal with separate and distinct constitutional powers from the constitutional powers described in paragraph (1). These initiatives include, but are not necessarily limited to, the initiatives initially designated by the Attorney General as Initiative No. 21-0026 and Initiative No. 21-0042.

(B) Other initiative measures that increase taxes on personal incomes to fund programs or efforts not including reductions in GHG emissions from transportation and wildfires deal with separate and distinct subjects. These initiatives include, but are not necessarily limited to, the initiative initially designated by the Attorney General as Initiative No. 21-0022.

(3) For purposes of subdivision (b) of Section 10 of Article II of the California Constitution, because they deal with separate and distinct constitutional powers and separate and distinct subjects, this initiative measure does not conflict with any initiative measure described in paragraph (2). The voters hereby declare that this initiative measure and the initiative measures described in paragraph (2) are not competing all-or-nothing alternatives. The voters hereby freely and unequivocally express their intent that if this initiative measure and any of the initiative measures described in paragraph (2) are approved at the same election,

that both this initiative measure and the other initiative measure(s) should both be given full force and effect.

(c) If this initiative measure is approved by the voters but superseded in whole or in part by any other conflicting initiative measure approved by the voters at the same election, and such conflicting measure is later held invalid, this measure shall be self-executing and given full force and effect.

SEC. 6. Liberal Construction.

This act is an exercise of the initiative power of the people of the State of California pursuant to Article II and Article IV of the California Constitution, and shall be liberally construed to effectuate the purposes set forth in this act.

SEC. 7. Standing.

Notwithstanding any other provision of law, if the state or any of its officials fail to defend the constitutionality of this act, following its approval by the voters, any other state or local government agency of this state shall have the authority to intervene on behalf of the State of California in any court action challenging the constitutionality of this act for the purpose of defending its constitutionality, whether that action is in state or federal trial court, on appeal, or on discretionary review by the Supreme Court of California or the Supreme Court of the United States. The reasonable fees and costs of defending the action shall be a charge on funds appropriated to the Department of Justice, which shall be satisfied promptly.

PROPOSITION 31

This law proposed by Senate Bill 793 of the 2019–2020 Regular Session (Chapter 34, Statutes of 2020) is submitted to the people as a referendum in accordance with the provisions of Section 9 of Article II of the California Constitution.

This proposed law adds sections to the Health and Safety Code; therefore, new provisions proposed to be added are printed in *italic type* to indicate that they are new.

PROPOSED LAW

SECTION 1. Article 5 (commencing with Section 104559.5) is added to Chapter 1 of Part 3 of Division 103 of the Health and Safety Code, to read:

Article 5. Tobacco Sale Prohibition

104559.5. (a) For purposes of this section, the following definitions apply:

(1) "Characterizing flavor" means a distinguishable taste or aroma, or both, other than the taste or aroma of tobacco, imparted by a tobacco product or any byproduct produced by the tobacco product. Characterizing flavors include, but are not limited to, tastes or aromas relating to any fruit, chocolate, vanilla, honey, candy, cocoa, dessert, alcoholic

beverage, menthol, mint, wintergreen, herb, or spice. A tobacco product shall not be determined to have a characterizing flavor solely because of the use of additives or flavorings or the provision of ingredient information. Rather, it is the presence of a distinguishable taste or aroma, or both, as described in the first sentence of this definition, that constitutes a characterizing flavor.

(2) "Constituent" means any ingredient, substance, chemical, or compound, other than tobacco, water, or reconstituted tobacco sheet, that is added by the manufacturer to a tobacco product during the processing, manufacture, or packing of the tobacco product.

(3) "Flavored shisha tobacco product" means any shisha tobacco product that contains a constituent that imparts a characterizing flavor.

(4) "Flavored tobacco product" means any tobacco product that contains a constituent that imparts a characterizing flavor.

(5) "Hookah" means a type of waterpipe, used to smoke shisha or other tobacco products, with a long flexible tube for drawing aerosol through water. Components of a hookah may include heads, stems, bowls, and hoses.

(6) "Hookah tobacco retailer" means a tobacco retailer that is engaged in the retail sale of shisha tobacco products, hookah, and hookah smoking accessories.

(7) "Labeling" means written, printed, pictorial, or graphic matter upon a tobacco product or any of its packaging.

(8) "Loose leaf tobacco" consists of cut or shredded pipe tobacco, usually sold in pouches, excluding any tobacco product which, because of its appearance, type, packaging, or labeling, is suitable for use and likely to be offered to, or purchased by, consumers as tobacco for making cigarettes, including roll-your-own cigarettes.

(9) "Packaging" means a pack, box, carton, or container of any kind, or, if no other container, any wrapping, including cellophane, in which a tobacco product is sold or offered for sale to a consumer.

(10) "Premium cigar" means any cigar that is handmade, is not mass produced by use of mechanization, has a wrapper that is made entirely from whole tobacco leaf, and has a wholesale price of no less than twelve dollars (\$12). A premium cigar does not have a filter, tip, or nontobacco mouthpiece and is capped by hand.

(11) "Retail location" means both of the following:

(A) A building from which tobacco products are sold at retail.

(B) A vending machine.

(12) "Sale" or "sold" means a sale as that term is defined in Section 30006 of the Revenue and Taxation Code.

(13) "Shisha tobacco product" means a tobacco product smoked or intended to be smoked in a hookah. "Shisha tobacco product" includes, and may be referred to as, hookah tobacco, waterpipe tobacco, maassel, narghile, and argileh. "Shisha tobacco product" does not include any electronic devices, such as an electronic hookah, electronic cigarette, or electronic tobacco product.

(14) "Tobacco product" means a tobacco product as defined in paragraph (8) of subdivision (a) of Section 104495, as that provision may be amended from time to time.

(15) "Tobacco product flavor enhancer" means a product designed, manufactured, produced, marketed, or sold to produce a characterizing flavor when added to a tobacco product.

(16) "Tobacco retailer" means a person who engages in this state in the sale of tobacco products directly to the public from a retail location. "Tobacco retailer" includes a person who operates vending machines from which tobacco products are sold in this state.

(b) (1) A tobacco retailer, or any of the tobacco retailer's agents or employees, shall not sell, offer for sale, or possess with the intent to sell or offer for sale, a flavored tobacco product or a tobacco product flavor enhancer.

(2) There is a rebuttable presumption that a tobacco product is a flavored tobacco product if a manufacturer or any of the manufacturer's agents or employees, in the course of their agency or employment, has made a statement or claim directed to consumers or to the public that the tobacco product has or produces a characterizing flavor, including, but not limited to, text, color, images, or all, on the product's labeling or packaging that are used to explicitly or implicitly communicate that the tobacco product has a characterizing flavor.

(c) Subdivision (b) does not apply to the sale of flavored shisha tobacco products by a hookah tobacco retailer if all of the following conditions are met:

(1) The hookah tobacco retailer has a valid license to sell tobacco products issued pursuant to Chapter 2 (commencing with Section 22971.7) of Division 8.6 of the Business and Professions Code.

(2) The hookah tobacco retailer does not permit any person under 21 years of age to be present or enter the premises at any time.

(3) The hookah tobacco retailer shall operate in accordance with all relevant state and local laws relating to the sale of tobacco products.

(4) If consumption of tobacco products is allowed on the premises of the hookah tobacco retailer, the hookah tobacco retailer shall operate in accordance with all state and local laws relating to the consumption of tobacco products on the premises of a tobacco retailer, including, but not limited to, Section 6404.5 of the Labor Code.

(d) Subdivision (b) does not apply to sales of premium cigars sold in cigar lounges where products are purchased and consumed only on the premises.

(e) Subdivision (b) does not apply to loose leaf tobacco or premium cigars.

(f) A tobacco retailer, or agent or employee of a tobacco retailer, who violates this section is guilty of an infraction and shall be punished by a fine of two hundred fifty dollars (\$250) for each violation of this section.

(g) This section does not preempt or otherwise prohibit the adoption of a local standard that imposes greater restrictions on the access to tobacco products than the restrictions imposed by this section. To the extent that there is an inconsistency between this section and a local standard that imposes greater restrictions on the access to tobacco products, the greater restriction on the access to tobacco products in the local standard shall prevail.

SEC. 2. The provisions of this act are severable. If any provision of this act or its application is held invalid, that invalidity shall not affect other provisions or applications that can be given effect without the invalid provision or application.

SEC. 3. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.

Early Vote-by-Mail Voting Period is from October 11 through November 8, 2022.

Don't Delay, Vote Today!

All California active registered voters will receive a vote-by-mail ballot for the November 8, 2022, General Election.

The vote-by-mail ballot voting period begins as soon as vote-by-mail ballots are in the mail no later than October 10, 2022.

Make your voice heard early! Return your vote-by-mail ballot during the voting period of October 11 through the close of polls on November 8.

If you want to visit a voting location in person, go on or before Election Day, November 8, 2022. One or more voting locations in many counties will be open during the early voting period.

Find a nearby drop box or early voting location at caearlyvoting.sos.ca.gov or vote.ca.gov.

Provisional Voting

Name not on the voter list at the polling place or vote center?

You still have the right to vote with a provisional ballot.

What is a provisional ballot?

A provisional ballot is a regular ballot placed in a special envelope prior to being put in the ballot box. Provisional ballots are cast by voters who believe they are registered to vote even though their names are not on the official voter registration list at the polling place or vote center.

A voter may need to cast a provisional ballot if they want to vote in person at a polling place or vote center but did not receive their vote-by-mail ballot or if they do not have their vote-by-mail ballot with them to surrender prior to voting in person.

Will my provisional ballot be counted?

Yes, your provisional ballot will be counted after elections officials have confirmed that you are registered to vote in that county, and you did not already vote in that election.

A provisional ballot can be used at any polling place or vote center in the county in which you are registered to vote; however, only the election contests you are eligible to vote for will be counted.

How can you check the status of your provisional ballot?

Anyone who casts a provisional ballot has the right to find out from their county elections official if the ballot was counted and, if not, the reason why it was not counted.



You can check the status of your provisional ballot at voterstatus.sos.ca.gov.

About Ballot Measures

What is a state ballot measure?

A state ballot measure, also known as a proposition, is a proposed law that requires voter approval. A majority (at least 50% +1) of the votes is needed to pass.

A ballot measure is placed on a ballot by:

- The State Legislature; or
- Citizens who collect signatures on a petition

There are several types of state ballot measures. The November 8, 2022, General Election ballot includes the following types of ballot measures.

Initiative

- Initiatives may create or change laws or amend the California Constitution
- Initiative proponents must gather petition signatures of registered voters to place an initiative measure on the ballot
- An initiative needs a majority of the votes cast to pass

Referendum

- A referendum is a measure that attempts to reject a law adopted by the Legislature
- Proponents must gather petition signatures of registered voters within 90 days of enactment of the bill if they want to prevent it from becoming law
- If voters cast more NO votes than YES votes, the law is rejected. If voters cast more YES votes, the law becomes law

Legislative Constitutional Amendment

An amendment to the California Constitution proposed by the Legislature requires:

- Approval by a two-thirds vote of each house of the Legislature
- A majority of the votes to pass and become law

Pre-register at Sixteen. Vote at Eighteen.

What is Pre-registration?

If you are 16 or 17 years old and meet all other voter eligibility requirements, you can pre-register to vote at registertovote.ca.gov.

Pre-registration is available for eligible 16- and 17-year-olds at registertovote.ca.gov or via the paper voter registration form. California youth who pre-register to vote will have their registration become active once they turn 18 years old. Visit registertovote.ca.gov for a complete list of the registration requirements.

Pre-register in 2 easy steps:

1. Visit registertovote.ca.gov
2. Click the “Pre-register to Vote” button

You are automatically registered on your 18th birthday.

For more information you may also visit the Secretary of State’s website at vote.ca.gov or call the toll-free Voter Hotline at (800) 345-VOTE (8683).

County Elections Offices

Alameda County

(510) 272-6973
www.acvote.org

Alpine County

(530) 694-2281
www.alpinecountyca.gov/

Amador County

(209) 223-6465
www.amadorgov.org/government/elections

Butte County

(530) 552-3400 or (800) 894-7761
(within Butte County)
www.buttevotes.net

Calaveras County

(209) 754-6376 or (209) 754-6375
www.elections.calaverasgov.us

Colusa County

(530) 458-0500 or (877) 458-0501
www.countyofcolusa.org/elections

Contra Costa County

(925) 335-7800
www.cocovote.us

Del Norte County

(707) 464-7216
www.co.del-norte.ca.us

El Dorado County

(530) 621-7480 or (800) 730-4322
www.edcgov.us/Elections

Fresno County

(559) 600-8683
www.fresnovote.com

Glenn County

(530) 934-6414
www.countyofglenn.net/dept/elections/welcome

Humboldt County

(707) 445-7481
www.humboldtgov.org/Elections

Imperial County

(442) 265-1060 or (442) 265-1074
www.co.imperial.ca.us/regvoters

Inyo County

(760) 878-0224
<https://elections.inyocounty.us/>

Kern County

(661) 868-3590
www.kernvote.com

Kings County

(559) 852-4401
www.votekingscounty.com

Lake County

(707) 263-2372
www.lakecountyca.gov/Government/Directory/ROV.htm

Lassen County

(530) 251-8217
www.lassencounty.org/dept/county-clerk-recorder/elections

Los Angeles County

(800) 815-2666
www.lavote.net

Madera County

(559) 675-7720 or (800) 435-0509
www.votemadera.com

Marin County

(415) 473-6456
www.marinvotes.org

Mariposa County

(209) 966-2007
www.mariposacounty.org/87/Elections

Mendocino County

(707) 234-6819
www.mendocinocounty.org/government/assessor-county-clerk-recorder-elections/elections

Merced County

(209) 385-7541 or (800) 561-0619
www.mercedelections.org

Modoc County

(530) 233-6200
www.co.modoc.ca.us/departments/elections

Mono County

(760) 932-5537 or (760) 932-5530
<https://monocounty.ca.gov/elections>

Monterey County

(831) 796-1499 or (866) 887-9274
www.montereycountyelections.us/

Napa County

(707) 253-4321
www.countyofnapa.org/396/elections

Nevada County

(530) 265-1298
www.mynevadacounty.com/1847/Elections-Voting

Orange County

(714) 567-7600
www.ocvote.com

Placer County

(530) 886-5650
www.placercountyelections.gov

Plumas County

(530) 283-6256 or (844) 676-VOTE
www.plumascounty.us/142/Elections-Division-Home

Riverside County

(951) 486-7200
www.voteinfo.net

Sacramento County

(916) 875-6451
www.elections.saccounty.gov

San Benito County

(831) 636-4016
sbcvote.us

San Bernardino County

(909) 387-8300
www.sbcountyelections.com

San Diego County

(858) 565-5800 or (800) 696-0136
www.sdvote.com/

San Francisco County

(415) 554-4375
<https://sfelections.sfgov.org>

San Joaquin County

(209) 468-8683 or (800) 400-5009
www.sjcrov.org

San Luis Obispo County

(805) 781-5228 or (805) 781-5080
www.slovote.com

San Mateo County

(650) 312-5222
www.smcacre.org

Santa Barbara County

(805) 568-2200
www.sbcvvote.com

Santa Clara County

(408) 299-8683 or (866) 430-8683
www.sccvvote.org

Santa Cruz County

(831) 454-2060
www.votescount.com

Shasta County

(530) 225-5730 or (888) 560-8683
www.elections.co.shasta.ca.us

Sierra County

(530) 289-3295
www.sierracounty.ca.gov/214/Elections

Siskiyou County

(530) 842-8084 or
(888) 854-2000 ext. 8084
www.sisqvotes.org

Solano County

(707) 784-6675
www.solanocounty.com/elections

Sonoma County

(707) 565-6800
<https://vote.sonoma-county.org>

Stanislaus County

(209) 525-5200
<http://www.stanvote.com>

Sutter County

(530) 822-7122
www.suttercounty.org/elections

Tehama County

(530) 527-8190
www.co.tehama.ca.us/gov-departments/elections

Trinity County

(530) 623-1220
www.trinitycounty.org/Elections

Tulare County

(559) 624-7300
<http://tularecolections.org/elections/>

Tuolumne County

(209) 533-5570
www.co.tuolumne.ca.us/elections

Ventura County

(805) 654-2664
www.venturavote.org

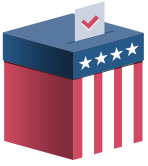
Yolo County

(530) 666-8133
www.yoloelections.org

Yuba County

(530) 749-7855
www.yubaelections.org

DATES TO REMEMBER!



Don't Delay, Vote Today!

Early vote-by-mail ballot voting period is from **October 11 through November 8, 2022.**

Polls are open from 7:00 a.m. to 8:00 p.m. on **November 8, 2022, Election Day!**

OCTOBER

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2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

October 10

County elections officials will begin mailing vote-by-mail ballots on or before this date.

October 11

Vote-by-mail secure drop boxes open.

October 11–November 8

Voting period to return vote-by-mail ballot.

October 24

Last day to register to vote. Same Day voter registration is available at your county elections office or voting location after the voter registration deadline, up to and including Election Day.

October 29

First day early voting vote centers open in Voter's Choice Act counties.

NOVEMBER

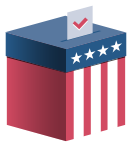
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27	28	29	30			

Tuesday, November 8, 2022

Last day to vote in-person or return a vote-by-mail ballot by 8:00 p.m. Polls are open from 7:00 a.m. to 8:00 p.m. Vote-by-mail ballots must be postmarked no later than November 8.

California Secretary of State
Elections Division
1500 11th Street
Sacramento, CA 95814

NONPROFIT
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CALIFORNIA
SECRETARY
OF STATE



NOVEMBER 8, 2022

GENERAL ELECTION

DATES TO REMEMBER

October 10

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For additional copies of the Voter Information Guide in any of the following languages, please call:

English: (800) 345-VOTE (8683)

TTY/TDD: (800) 833-8683

Español/Spanish: (800) 232-VOTA (8682)

中文/Chinese: (800) 339-2857

हिन्दी/Hindi: (888) 345-2692

日本語/Japanese: (800) 339-2865

ខ្មែរ/Khmer: (888) 345-4917

한국어/Korean: (866) 575-1558

Tagalog: (800) 339-2957

ภาษาไทย/Thai: (855) 345-3933

Việt ngữ/Vietnamese: (800) 339-8163



Are you registered to vote? Check here: voterstatus.sos.ca.gov

Find your polling place here: Text "Vote" to GOVOTE (468683)

In an effort to reduce election costs, the State Legislature has authorized the State and counties to mail only one guide to each voting household. You may request additional copies by contacting your county elections official or by calling (800) 345-VOTE.

