City of Long Beach
Working Together to Serve

Memorandum
NB-31

Date: September 18, 2012

To: Honorable Mayor and City Council

From: Councilmember Patrick O'Donnell, Chair, State Legislation Committee

Subject: **SUPPORT PROPOSITIONS 30, 35, 36 AND 37**

The State Legislation Committee, at its meeting held Thursday, September 13, 2012, considered communications relative to the above subject.

It is the recommendation of the State Legislation Committee that the City Council concur in the recommendations of the Committee to support the following Propositions:

Support Proposition 30: Temporary Taxes to Fund Education. Guaranteed Local Public Safety Funding

Support Proposition 35: Californians Against Sexual Exploitation Act

Support Proposition 36: Three Strikes Reform Act of 2012

Support Proposition 37: California Right to Know Genetically Engineered Food Act

Respectfully submitted,

STATE LEGISLATION COMMITTEE

Councilmember Patrick O'Donnell, Chair

Attachments

Prepared by:
Allison Bunma

City of Long Beach
Working Together to Serve

Memorandum

Date: September 13, 2012

To: Mayor and Members of the City Council

From: Patrick O'Donnell, Chair of the State Legislation Committee PO

Subject: **Recommendation to Support Propositions 30, 35, 36 and 37**

On Thursday, September 13, 2012 the State Legislation Committee held a meeting to discuss positions on the various propositions on November 2012. The Committee voted to support the following propositions. Additional detail on each of these propositions are included in the accompanying staff report.

Support Proposition 30: Temporary Taxes to Fund Education. Guaranteed Local Public Safety Funding

Support Proposition 35: Californians Against Sexual Exploitation Act

Support Proposition 36: Three Strikes Reform Act of 2012

Support Proposition 37: California Right to Know Genetically Engineered Food Act

Fiscal Impact
There is no fiscal impact from taking a position the various propositions.

Recommendation: Recommendation to support Propositions 30, 35, 36 and 37

City of Long Beach
Working Together to Serve

Memorandum

Date: August 22, 2012

To: Mayor and Members of the City Council

From: Patrick H. West, City Manager

Subject: **November 2012 – Ballot Measures**

Introduction

On Tuesday, November 6, 2012, voters will consider nine statewide ballot measures. Below is a summary of these ballot measures and lists of major groups supporting and opposing each proposition. For more information, please visit the California Secretary of State Official Voter Information Guide at: http://voterguide.sos.ca.gov/

Proposition 30: Temporary Taxes to Fund Education. Guaranteed Local Public Safety Funding

Proposition 30 is the Governor's tax initiative. This ballot measure temporarily increases the state sales tax rate by a quarter percent for four years, and increases the personal income tax (PIT) rate for those with earnings over $250,000, for seven years. The increase in State revenues will provide additional revenues for education. Eighty-nine percent of the new revenues generated by this measure will fund K-12 spending, with the remainder dedicated to community colleges. The 2012-13 State budget assumes passage of this measure, and includes $6 billion in "trigger cuts" in the event that Proposition 30 does not pass.

Proposition 30 also requires the State to continue providing counties with the same level of tax revenues that were redirected in 2011 (or equivalent funds) to fund transferred prison realignment program responsibilities. This measure also contains impacts to cities. Proposition 30 will constitutionally allow the State to refrain from reimbursing local governments for state mandated costs, unless required to do so by the courts. Similarly, local governments would not be required to implement any future state laws that increase local government costs, unless the state provides additional funding to pay for the increased costs. Proposition 30 needs a simple majority vote to pass.

The Legislative Analyst's Office estimates Proposition 30 will generate approximately $6 billion annually between FY 13 and FY 17.

Supporters: *California State Council of Service Employees (SEIU), California School Employees Association (CSEA)*

Opponents: *Howard Jarvis Taxpayers Association, National Federation of Independent Business*

Proposition 31: State and Local Government

Proposition 31, establishes a two-year state budget cycle and prohibits the Legislature from creating expenditures of more than $25 million without offsetting revenues or identifying spending cuts. The measure also requires the publication of all bills at least

three days prior to legislative vote, and authorizes the Governor to reduce spending unilaterally during declared fiscal emergencies if the Legislature fails to act.

Additionally, Proposition 31 allows counties and other local governments (such as cities, school districts, community college districts, and special districts) to create local plans for coordinating public services. Depending on the plan that is created and adopted by the affected local governments, state sales tax funds could be reallocated from the state, to the local government, to pay for those costs.

Beginning in FY 14, Proposition 31 would shift approximately $200 million annually from the state's portion of sales tax to counties that implement the new plans. This would not change sales taxes paid by taxpayers. The shift would increase revenues of the participating local governments in counties with plans and the State would lose a corresponding amount, which would no longer be available to fund state programs. Sales tax to the participating local agencies would be allocated based upon population. Proposition 31 needs a simple majority vote to pass.

Supporters: *California Forward*

Opponents: *American Federation of State, County and Municipal Employees, AFL-CIA (AFSCME)*

Proposition 32: Stop Special Interest Money Now Act

Proposition 32, the Stop Special Interest Money Now Act, would prohibit corporations, private sector labor unions, public employee labor unions, and government contractors from using payroll deductions for political purposes. Additionally, the measure prohibits corporations and unions from contributing directly or indirectly to candidates and candidate-controlled committees. Employee contributions to employer or union committees, if authorized annually and in writing, would be permitted. Other political expenditures would remain unrestricted, including corporate expenditures from available resources not limited by payroll deduction prohibition.

The Legislative Analyst's Office estimates that the state would experience increased costs to investigate alleged violations of the law and to respond to requests for advice. In addition, state and local governments would experience some other increased administrative costs that combined could exceed $1 million annually. Proposition 32 needs a simple majority vote to pass.

Supporters: *Howard Jarvis Taxpayers Association and other tax groups, Bay Area Council*

Opponents: *American Federation of State, County and Municipal Employees, California Labor Federation, Service Employees International Union, California Association of Law Enforcement Employees, California Professional Firefighters, ACLU California, California Teachers Association, Sierra Club California*

Proposition 33: 2012 Automobile Insurance Discount Act

Proposition 33, changes current law to permit insurance companies to set prices based on whether a driver previously carried auto insurance with any insurance company. This measure would allow insurance companies to give proportional

discounts to drivers with prior continuous insurance coverage, as well as increase the cost of insurance to drivers who have not maintained continuous coverage. The measure treats drivers as continuously covered if a lapse in coverage is due to military service or loss of employment, or if the lapse is less than 90 days.

The Legislative Analyst's Office estimates there will be a net increase in tax revenues received by the State, as the measure would increase premiums for some individuals, while reducing premiums for others. Proposition 33 needs a simple majority vote to pass.

Supporters: *Veterans of Foreign Wars (VFW) of California, California Hispanic Chamber of Commerce, The Greenling Institute, Multiple insurance agencies*

Opponents: *Consumer Watchdog Campaign, Campaign for Consumer Rights*

Proposition 34: The Savings, Accountability, and Full Enforcement for California Act

Proposition 34, the Savings, Accountability, and Full Enforcement for California Act would repeal the death penalty as the maximum punishment for persons found guilty of murder. A yes vote on Proposition 34 would replace the death penalty with life imprisonment without possibility of parole. The measure would apply retroactively to persons already sentenced to death, and requires persons found guilty of murder to work while in prison, with their wages applied to any victim restitution fines or orders against them. Proposition 34 creates a one-time $100 million fund to be distributed to law enforcement agencies over four years to help solve homicide and rape cases. A no vote on this measure would maintain the death penalty as an option under California law, and the other provisions of Proposition 34 would not be enacted.

According to the Legislative Analyst's Office, Proposition 34 has the potential to generate State and county savings related to murder trials, death penalty appeals, and corrections of about $100 million annually in the first few years, growing to about $130 million annually thereafter. Proposition 34 needs a simple majority vote to pass.

Supporters: *California NAACP, California League of Women Voters, The Catholic Bishops of California*

Opponents: *Peace Officers Research Association of California Political Issues Committee (PORAC PIC), Sacramento County Sheriffs' Association*

Proposition 35: Californians Against Sexual Exploitation Act

Proposition 35, the Californians Against Sexual Exploitation Act increases criminal penalties for human trafficking, including prison sentences up to 15-years-to-life and fines up to $1.5 million, and directs certain fines to be used for victim services and law enforcement. A yes vote on this measure would require a person convicted of trafficking to register as sex offender, requires sex offenders to provide information regarding Internet access and identities they use in online activities, and requires human trafficking training for police officers. Finally, the measure would prohibit evidence that a victim engaged in sexual conduct from being used against the victim in court proceedings.

The fiscal impact of this measure is fairly uncertain, however local law enforcement departments may incur costs not likely to exceed a few million dollars annually for increased criminal justice and training costs. Proposition 35 needs a simple majority vote to pass.

Supporters: *California Police Chiefs Association, California Coalition of Law Enforcement, Women's Foundation of California, Crowley Children's Fund, Planned Parenthood Affiliates of California, Junior Leagues of California*

Opponents: *Erotic Service Provider Legal, Educational and Research Project*

Proposition 36: Three Strikes Reform Act of 2012

Proposition 36, the Three Strikes Reform Act revises the current three strikes law to impose the life sentence only when a new felony conviction is serious or violent. A yes vote on this measure would authorize re-sentencing for offenders currently serving life sentences if the third strike conviction was not serious or violent and the judge determines the sentence does not pose an unreasonable risk to public safety. The measure continues to impose a life sentence penalty if the third strike conviction was for certain non-serious, non-violent sex or drug offenses or involved firearm possession and maintains the life sentence penalty for felons with non-serious, non-violent third strike convictions if prior convictions were for rape, murder, or child molestation.

The Legislative Analyst's Office estimates that the measure has the potential to generate $70 to $90 million savings over the next few decades due to fewer inmates being incarcerated for life and reduced sentences for existing inmates who have been sentenced to life. Proposition 36 needs a simple majority vote to pass.

Supporters: *NAACP Legal Defense and Education Fund, Amnesty International*

Opponents: *California Police Chiefs Association, California State Sheriff's Association, Crime Victims United of California*

Proposition 37: California Right to Know Genetically Engineered Food Act

Proposition 37, the California Right to Know Genetically Engineered Food Act, requires labeling on raw or processed food offered for sale to consumers if the product is made from plants or animals with genetic material changed in specified ways and prohibits the labeling or advertising of such food as "natural." The measure exempts foods that are certified organic, unintentionally produced with genetically engineered material, made from animals fed or injected with genetically engineered material but not genetically engineered themselves, processed with or containing only small amounts of genetically engineered ingredients, administered for treatment of medical conditions, sold for immediate consumption such as in a restaurant, or alcoholic beverages.

The Legislative Analyst's Office estimates that the measure would result in increased costs to the state Department of Public Health for inspections and regulation of labeling. These costs could range from a few hundred thousand to over $1 million annually. Proposition 37 needs a simple majority vote to pass.

Supporters: *California Labor Federation, American Public Health Association, Consumer Federation of America, Citizens for Health*

Opponents: *California Chamber of Commerce, California Farm Bureau Federation, America Farm Bureau Federation, California Grocers Federation, California Taxpayer Protection Committee*

Proposition 38: Our Children, Our Future: Local Schools and Early Education Investment Bond Debt Reduction Act

Proposition 38, competes with the Governor's tax initiative. This proposal offers an alternative method for increasing personal income tax rates to pay for K-12 education, and other state costs. Proposition 38 increases personal income tax rates over a 12-year period for taxpayers earning more than $7,316 annually, using a sliding scale from 0.4 percent for lowest individual earners to 2.2 percent for individuals earning over $2.5 million. For the first four years of the program, 60 percent of revenues will go to K-12 schools, 30 percent will go to repaying state debt, and 10 percent will go to funding early childhood programs. Thereafter, 85 percent of revenues are allocated to K-12 schools and 15 percent to early childhood programs. The measure provides K-12 funds on a school specific, per-pupil basis, subject to local control, audits, and public input as well as prohibits the state from directing or using new funds. Proposition 38 needs a simple majority vote to pass.

The Legislative Analyst's Office expects that the measure would provide approximately $10 billion in revenue in the first year. The total revenue generated annually would be expected to grow throughout the duration of the measure.

Supporters: *California State PTA, California School Boards Association, California Head Start Association*

Opponents: *California Chamber of Commerce, California Labor Federation, Ventura County Taxpayers Association*

Proposition 39: California Clean Energy Jobs Act

Proposition 39 requires multi-state businesses to calculate their California income tax liability based on the percentage of their sales in California, and repeals the existing law giving multi-state businesses an option to choose a tax liability formula that provides favorable tax treatment for businesses with property and payroll outside California. The measure dedicates $550 million annually from projected increases in State revenue, for a period of five years, for the purpose of funding projects that create energy efficiency and clean energy jobs in California. Proposition 39 needs a simple majority vote to pass.

The Legislative Analyst's Office expects that the measure would increase state revenues of $1 billion annually, with half of the revenues over the next five years spent on energy efficiency projects, and the remaining funds dedicated primarily to schools.

Supporters: *Sierra Business Council, American Association of Retired Persons (AARP), The California Chamber of Commerce and Business Roundtable*

Opponents: *Howard Jarvis Taxpayers Association*

Proposition 40: State Senate Redistricting Maps

Proposition 40 places State Senate boundaries, drawn and certified by the Citizens Redistricting Commission, on the ballot for approval by the voters. Every ten years, following the federal census, California State Senate district boundaries are adjusted. The Constitution allows voters to challenge district maps certified by the commission through the referendum process. A yes vote on Proposition 40 maintains the new Senate maps certified by the Citizens Redistricting Commission. A no vote on this referendum would repeal the maps and leave the redistricting decision up to state officials and the California Supreme Court. While this referendum will appear on the November 2012 ballot, its principal supporters, who are in favor of repealing the new California State Senate maps, have suspended their campaign. Proposition 40 needs a simple majority vote, in favor of the measure, to pass.

The Legislative Analyst's Office estimates that approving the referendum would have no fiscal impact on the state and local governments, while rejecting the referendum would result in a one-time cost of about $1 million to the state and counties.

Supporters: *California Chamber of Commerce, League of Women Voters, American Association or Retired Persons (AARP)*

Opponents: *none on file*

Next Steps

Voters will go to the polls on November 6, 2012. The outcome of Proposition 30 and Proposition 38 will influence State budget decisions over the next several years. If both measures pass, the State Constitution specifies that the provisions of the measure receiving more "yes" votes will prevail. Though Proposition 38 would increase revenues for education and theoretically provide state budget relief, its triumph over Proposition 30 would mean the $6 billion in "trigger cuts" in the State budget would still go into effect. Conversely, if Proposition 30 prevails, none of the provision in Proposition 38 would go into effect.

Absent from the November 2012 ballot is the California Water Bond. This measure will be on the November 2014 ballot.

Should you have any questions, please contact Tom Modica, Director of Government Affairs and Strategic Initiatives at 8-5091.

cc: Mayor and Members of the City Council
Suzanne Frick, Assistant City Manager
Reginald Harrison, Deputy City Manager
All Department Directors
Tom Modica, Director of Government Affairs and Strategic Initiatives
Jyl Marden, Assistant to the City Manager
Mike Arnold and Associates

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City of Long Beach Memorandum
Working Together to Serve

REQUEST TO ADD AGENDA ITEM

Date: ***September 14, 2012***

To: Larry Herrera, City Clerk

From: ***Councilmember Patrick O'Donnell***

Subject: Request to Add Agenda Item to Council Agenda of ***September 18, 2012.***

Pursuant to Municipal Code Section 2.03.070 [B], the City Councilmembers signing below request that the attached agenda item (due in the City Clerk Department by Friday, 12:00 Noon) be placed on the City Council agenda under New Business via the supplemental agenda.

Council District	Authorizing Councilmember	Signed by
4	Patrick O'Donnell	
1	Robert Garcia	
7	James Johnson	