



General Election Ballot Proposition Recommendations

County elections officials have begun mailing General Election ballots to registered voters, and Ag Council's board of directors recently considered several November ballot propositions and recommends **no** on three measures and **yes** on four measures.

Our positions oppose new or extended taxes, support added checks on how taxes are approved, and support faster approval of water, energy and other infrastructure projects. Fourteen propositions are on the ballot, and Ag Council took a position on seven of the measures.

Proposition	Purpose	Recommendation
3	Makes temporary taxes permanent to fund schools and health care	Oppose
5	Changes recall election process for statewide officers	Oppose
40	Tax on certain taxpayers (Billionaire Tax)	Oppose
41	Requires audits for new state special taxes	Support
42	Prohibits new state personal property taxes	Support
43	Requires 2/3 voter approval for special taxes	Support
45	Modifies environmental review for certain projects	Support

Read further details about the propositions below. Please refer to the *Official Voter Information Guide* accompanying your ballot for additional information regarding these and all propositions.

Propositions we oppose

Prop 3: Makes temporary income taxes permanent (Oppose)

- Permanently extends the tax on individuals at 10.3 percent for those earning a taxable income of at least \$384,109 and 12.3 percent if earning \$768,213 or more, with graduated rates in between (2026 taxable income).
- For joint filers, a 10.3 percent tax applies to those with taxable income of at least \$768,218 and the tax increases to 12.3 percent for joint filers with taxable income above \$1.53 million, with graduated rates in between (2026 taxable income).
- The rates were approved in 2012 as a temporary seven-year tax to cover a budget deficit. Voters extended the rates through 2030 via a ballot proposition in 2016.
- The taxes raise between \$5 billion and \$15 billion a year, mostly for K-12 schools, with some funding for community colleges and health care.

Prop 5: Delays replacement of recalled state officials (Oppose)

- Currently, a recall ballot asks two questions: 1) Should the official be removed? and 2) If yes, who should replace them?
- Prop 5 keeps the first question and removes the vote on a replacement.
- For recalled legislators, the seat would stay vacant until a special election is held, and the recalled official could run for the seat again.
- If a governor is recalled in the first two years of their term, the secretary of state would call for a special election to be held. If a governor is recalled in the second two years of their term, the lieutenant governor would finish the governor's term.
- If a statewide official (e.g., state treasurer, attorney general, or insurance commissioner) is recalled, the governor would appoint their replacement to serve until the next scheduled election.

Prop 40: Tax on certain taxpayers/billionaire tax (Oppose)

- Implements a one-time five percent tax, due in 2027, on the stocks, investments and businesses of Californians with a net worth of over \$1 billion, based on residency as of Jan. 1, 2026.
- Ninety percent of the funds raised would go toward health care. The remainder goes to education, food assistance and administering the tax.
- Though Prop 40 is known as a billionaire wealth tax, it allows the State Legislature to amend the tax with a 2/3 vote, so the tax could potentially be extended and expanded to include others if it "further the purpose" of Prop 40.
- A Stanford University Hoover Institution economic study found the tax could result in \$24.7 billion in lost state revenue as wealthy residents and businesses leave California.
- Opposition to Prop 40 is bipartisan.

Propositions we support

Prop 41: Audit review for new taxes (Support)

- Requires audits before the election and on a recurring schedule for programs funded by new special taxes.
- If it passes, Prop 41 nullifies Prop 40 (the billionaire tax), because Prop 40 has not had a pre-election audit.

Prop 42: Prohibits new state personal property taxes (Support)

- Constitutional amendment to prevent new taxes on owning financial assets or other personal property.
- Prohibits these taxes now and in the future, including on retirement funds, IRAs, 401(k)s, pensions and savings accounts.
- Limits when a ballot measure or the State Legislature can raise a tax retroactively.
- If approved by voters, Prop 42 nullifies Prop 40 (the billionaire tax).

Prop 43: Requires 2/3 voter approval for special taxes (Support)

- Under current law, local taxes for a specific purpose (special taxes) require a 2/3 vote.
- However, recent court decisions have allowed special taxes *proposed by voters* to pass with a simple majority.
- Under Prop 43, any new, increased or extended local special tax proposed by voters would require a 2/3 vote to pass, starting Jan. 1, 2027.

Prop 45: Modifies environmental review (CEQA) for certain projects (Support)

- Speeds up environmental review under the California Environmental Quality Act (CEQA) for certain water, energy, health care, transportation, and wildfire resilience projects.
- Sets a 365-day limit on environmental reviews for infrastructure projects.
- Requires courts to rule within 270 days on lawsuits under the environmental review law.
- By reducing delays, Prop 45 will lower the cost to complete specified infrastructure projects.