

California Ballot Measures

November 2016

Overview

Proposition 52- Hospital Fee for Medi-Cal. The passage of this measure makes permanent legislation signed in to law by Governor Jerry Brown that will bring in the maximum amount of federal Medicaid funds to California hospitals providing approximately \$2.4 billion in additional revenue to the State General Fund per year. The revenues are intended for health care services for low income Californians. This measure passed with 69% of the vote.

Proposition 55- Proposition 30 Extension. This initiative extended the income tax provisions of Proposition 30 in 2012, which temporarily raised the sales tax statewide and raised high earners' upper income tax brackets. This extension measure increases two marginal income tax brackets for a 12-year period (2018-30). Specifically, this measure will keep the highest two tax brackets for households with income in excess of \$250,000 (single) or \$500,000 (couple) by up to two percentage points. This measure did not address the sales tax provision so the sales tax extension will expire at the end of 2016. This measure will raise up to \$11 billion in annual revenue to support schools, the state General Fund and Medi-Cal hospital spending. This measure passed with 62% of the vote.

Proposition 56- Tobacco tax increase. A coalition including Tom Steyer, Michael Bloomberg, the American Cancer Society, American Heart Association, American Lung Association, California Dental Association, California Medical Association, California SEIU and California Hospital Association, were successful in the campaign to raise the tax on all tobacco products, including electronic cigarettes, by the equivalent of \$2 per pack. Much of the \$1 billion in yearly revenue will go to fund Medi-Cal. This measure passed with 63% of the vote.

Proposition 61- State Prescription Drug Purchases. This measure would have prohibited state agencies from paying more for a prescription drug than the lowest price paid for the same drug by the US Department of Veterans Affairs. This measure failed with 54% of the vote.

Proposition 64- Adult Use of Marijuana Act. The measure legalizes the (non-medical) use of marijuana and hemp under state law, and enacts a 15 percent sales tax on marijuana sales as well as a cultivation tax on marijuana products. Medical marijuana in California was legalized by Prop. 215 in 1996, and will continue to be separately regulated and taxed. All marijuana use would continue to remain illegal under current federal law. The measure establishes packaging, labeling, advertising, and marketing standards for marijuana and marijuana products. It allows for local regulation and taxation of marijuana and prohibits marketing and advertising marijuana to minors. This measure passed with 56%