PROPOSITION 26

"THE STOP HIDDEN TAXES MEASURE"

A JOINT INFORMATIONAL HEARING OF THE

SENATE AND ASSEMBLY COMMITTEES ON REVENUE AND TAXATION

SEPTEMBER 29, 2010

ROOM 4203, STATE CAPITOL

SACRAMENTO, CALIFORNIA

I. INTRODUCTION

Proposition 26, an initiative constitutional amendment, will appear on the November 2, 2010, general election ballot. In summary, Proposition 26 expands the definition of a "tax" to include many state and local government assessments currently classified as "fees." Proposition 26 also provides that any change in state statute that results in any taxpayer paying a higher tax must be passed by a two-thirds vote of the Legislature.

Pursuant to Elections Code Section 9034, the Legislature must hold joint public hearings on each initiative measure at least 30 days before the election. It should be noted, however, that nothing in Elections Code Section 9034 may "be construed as authority for the Legislature to alter the initiative measure or prevent it from appearing on the ballot."

As background for the Legislature's joint hearing on Proposition 26, this paper provides an overview of current law governing state and local taxes and fees, and an analysis of what the proposition does. Also included in this paper is a summary of Proposition 26's potential fiscal impact prepared by the Legislative Analyst[1], as well as a list of groups in support and opposition.

II. BACKGROUND AND EXISTING LAW

State and local governments impose an array of taxes, fees, and assessments on both individuals and businesses. Taxes, such as income, property, and sales taxes, are typically imposed for general revenue purposes. Fees, by comparison, are often imposed in return for a particular benefit granted by the government, and are typically used to fund specific programs or services. As the Legislative Analyst notes, there are three broad categories of fees:

1) User fees: As the name suggests, these fees are imposed on users of particular services and programs. Examples include state park entrance fees and garbage collection fees.

2) Property fees: These fees include assessments that fund improvements and services benefiting property owners and charges imposed on developers to improve the infrastructure for new subdivisions.

3) Regulatory fees: These fees fund programs that regulate the activities of certain individuals and businesses to achieve desired public policy objectives. Regulatory fees can also be imposed to offset the negative societal or environmental impacts of particular activities.

The distinction between "taxes" and "fees" is important because state law imposes different approval requirements for each. As a general rule, state and local governments may impose fees with a simple majority vote of the governing body. By contrast, increasing tax revenues generally requires a two-thirds vote of the Legislature (for state taxes), or the approval of local voters (for local proposals). These heightened approval requirements for taxes have their origin in Propositions 13 and 218, discussed below.

Proposition 13: In June 1978, California voters added Article XIII A, commonly known as Proposition 13, to the state Constitution. Proposition 13 was designed to provide real property tax relief by imposing a set of interlocking limitations upon the assessment and taxing powers of state and local governments.[2] Among other things, Proposition 13 imposes:

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[1] In all cases where the Legislative Analyst is cited, the information was obtained from the Official Voter Information Guide prepared for the November 2, 2010, election.

[2] Since any tax savings resulting from the real property tax limitations provided in Sections 1 and 2 of Article XIII A could be effectively eliminated through the imposition of additional state and local taxes, Sections 3 and 4 place additional restrictions upon the imposition of any such taxes. *See* Amador Valley Joint Union High Sch. Dist. v. State Bd. of Equalization, (1978) 22 Cal.3d 208.

1) A rate limitation on real property taxes: Section 1 of Article XIII A provides that, as a general rule, the maximum amount of any ad valorem tax on real property may not exceed one percent of the property's full cash value, as defined.

2) Restrictions on the State's general taxing authority: Section 3 of Article XIII A provides that any change in state taxes enacted to increase revenues, whether through increased rates or modified computational methods, must be passed by a two-thirds vote of the Legislature.

3) Restrictions on local entities' taxing authority: Section 4 of Article XIII A imposes similar restrictions on the taxing power of local entities. Specifically, Section 4 provides that, "Cities, Counties and special districts, by a two-thirds vote of the qualified electors of such district, may impose special taxes on such district, except ad valorem taxes on real property or a transaction tax or sales tax on the sale of real property within such City, County or special district."

Proposition 218: In November 1996, California voters approved Proposition 218, which imposed new restrictions on local tax levies by adding Article XIII C to the state Constitution. Specifically, Proposition 218 prohibits any local government[3] from imposing, extending, or increasing any general tax[4] unless and until that tax is submitted to the electorate and approved by a majority vote. Proposition 218 also prohibits any local government from imposing, extending, or increasing any special tax[5] without the approval of two-thirds of the electorate.

The Difference between a Tax and a Fee: Since Proposition 13's passage, there has been disagreement over whether particular government assessments should be classified as taxes or fees. Disagreement has been particularly pronounced in cases where the assessment is imposed to fund a program benefiting the public at large, instead of the "fee payer" in question. This issue came to a head in 1991, with the Legislature's enactment of the Childhood Lead Poisoning Prevention Act of 1991 (the 'Act') by a simple majority vote. The Act provided for evaluation, screening, and medically necessary follow-up services for children deemed potential victims of lead poisoning. The program was funded entirely by fees imposed on those responsible for environmental lead contamination. In Sinclair Paint Company v. State Bd. of Equalization, (1997) 15 Cal.4th 866, the Supreme Court of California was asked to decide whether these fees should properly be considered "taxes" requiring a two-thirds vote of the Legislature pursuant to Section 3 of Article XIII A. The Court answered this question in the negative, holding that the Act imposed bona fide regulatory fees, and not taxes. Id**.** at 870. In reaching this conclusion, the Court noted that the fees were imposed to mitigate the actual or

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[3] Section 1(b) of Article XIII C defines a local government as "any county, city, city and county, including a charter city or county, any special district, or any other local or regional governmental entity."

[4] Section 1(a) of Article XIII C defines a general tax as "any tax imposed for general governmental purposes."

[5] Section 1(d) of Article XIII C defines a special tax as "any tax imposed for specific purposes, including a tax imposed for specific purposes, which is placed into a general fund."

anticipated effects of the fee payers' activities. Id. The Court also noted that, under the Act, the amount of fees bore a reasonable relationship to those adverse effects. Id.

Thus, fees necessary to carry out a regulation's purpose are valid despite the lack of any perceived benefit to the fee payers in question. On this point, the Court asserted, "From the viewpoint of general police power authority, we see no reason why statutes or ordinances calling on polluters or producers of contaminating products to help in mitigation or cleanup efforts should be deemed less 'regulatory' in nature than the initial permit or licensing programs that allowed them to operate." Id. at 877. Indeed, the Court noted that the imposition of "mitigating effects" fees regulates future conduct by deterring the manufacturing and distribution of dangerous products, and stimulates research to develop safer alternatives. Id. As a result of this decision, regulatory fees of this nature may be imposed by a majority vote of the governing body in question.

III. SUMMARY OF PROPOSITION 26

As noted above, Proposition 26 expands the definition of a "tax" to include many state and local government assessments currently classified as "fees." Proposition 26 also provides that any change in state statute that results in any taxpayer paying a higher tax must be passed by a two-thirds vote of the Legislature. Specifically, Proposition 26:

1) Contains the following findings and declarations:

    a) Since the people overwhelmingly approved Proposition 13 in 1978, the Constitution of the State of California has required that increases in state taxes be adopted by not less than two-thirds of the members elected to each house of the Legislature;

    b) Since the enactment of Proposition 218 in 1996, the Constitution of the State of California has required that increases in local taxes be approved by the voters;

    c) Despite these limitations, California taxes have continued to escalate. Rates for state personal income taxes, state and local sales and use taxes, and a myriad of state and local business taxes are at all-time highs;[6]

[6] It should be noted that, prior to 1996, California's top marginal personal income tax rates were, at times, significantly higher than they are today. For example, a top bracket of 10% was imposed under Governor Reagan in 1967 and was increased, for taxable years beginning in 1973, to 11%. In 1987, California reduced the highest rate to 9.3%, but the 10% and 11% tax rates were reinstated under Governor Wilson in 1991, and remained in effect through 1995. From 1996 through 2009, the highest marginal personal income tax rate in California was again set at 9.3%, with an additional 1% Mental Health Tax imposed on taxable income over $1 million beginning in 2005 (Proposition 63, 2004). For the 2009 and 2010 taxable years, each of the six graduated personal income tax rates was temporarily increased by 0.25%. The highest rate of 9.55% applies to taxable income over $46,349 (in the case of taxpayers filing single or married filing separately) and at $92,698 (for joint returns).

d) Recently, the Legislature added another $12 billion in new taxes to be paid by drivers, shoppers, and anyone who earns an income;[7]

e) This escalation in taxation does not account for the recent phenomenon whereby the Legislature and local governments have disguised new taxes as "fees" in order to extract even more revenue from California taxpayers without having to abide by these constitutional voting requirements. Fees couched as "regulatory" but which exceed the reasonable costs of actual regulation or are simply imposed to raise revenue for a new program and are not part of any licensing or permitting program are actually taxes and should be subject to the limitations applicable to the imposition of taxes; and,

f) In order to ensure the effectiveness of these constitutional limitations, this measure also defines a "tax" for state and local purposes so that neither the Legislature nor local governments can circumvent these restrictions on increasing taxes by simply defining new or expanded taxes as "fees."

2) Amends Section 3 of Article XIII A by requiring "[a]ny change in state statute which [*sic*] results in any taxpayer paying a higher tax" to be passed by a two-thirds vote of the Legislature.

3) Defines the term "tax" for purposes of Section 3 of Article XIII A as any levy, charge, or exaction of any kind imposed by the State, except the following:

a) A charge imposed for a specific benefit conferred or privilege granted directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the State of conferring the benefit or granting the privilege to the payor;

b) A charge imposed for a specific government service or product provided directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the State of providing the service or product to the payor;

c) A charge imposed for the reasonable regulatory costs to the State incident to issuing licenses and permits, performing investigations, inspections, and audits, enforcing agricultural marketing orders, and the administrative enforcement and adjudication thereof;

d) A charge imposed for entrance to or use of state property, or the purchase, rental, or lease of state property, except charges governed by Section 15 of Article XI[8];

[7] Although the California Legislature temporarily increased the personal income tax burden for individuals for the 2009 and 2010 tax years, it simultaneously enacted several stimulus provisions benefiting small businesses as well as multinational corporations, including a new employee hiring tax credit, a motion picture production credit, and an elective single sales factor apportionment formula.

[8] Section 15 of Article XI governs the allocation of revenues derived pursuant to the Vehicle License Fee Law (Revenue and Taxation Code Section 10701 *et seq*.).

or,

e) A fine, penalty, or other monetary charge imposed by the judicial branch of government or the State, as a result of a violation of the law;

4) Provides that any "tax" adopted after January 1, 2010, that was not adopted in compliance with Proposition 26, shall be void 12 months after Proposition 26's effective date, unless the tax is reenacted by the Legislature and signed into law by the Governor in compliance with Proposition 26's requirements.

5) Provides that the State bears the burden of proving by a preponderance of the evidence that a levy, charge, or other exaction is not a tax, that the amount is no more than necessary to cover the reasonable costs of the governmental activity, and that the manner in which those costs are allocated to a payor bear a fair or reasonable relationship to the payor's burdens on, or benefits received from, the governmental activity.

6) Amends Section 1 of Article XIII C to define the term "tax" as any levy, charge, or exaction of any kind imposed by a local government, except the following:

   a) A charge imposed for a specific benefit conferred or privilege granted directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of conferring the benefit or granting the privilege;

   b) A charge imposed for a specific government service or product provided directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of providing the service or product;

   c) A charge imposed for the reasonable regulatory costs to a local government for issuing licenses and permits, performing investigations, inspections, and audits, enforcing agricultural marketing orders, and the administrative enforcement and adjudication thereof;

   d) A charge imposed for entrance to or use of local government property, or the purchase, rental, or lease of local government property;

   e) A fine, penalty, or other monetary charge imposed by the judicial branch of government or a local government, as a result of a violation of law;

   f) A charge imposed as a condition of property development; or,

   g) Assessments and property-related fees imposed in accordance with the provisions of Article XIII D.

7) Provides that local governments bear the burden of proving by a preponderance of the evidence that a levy, charge, or other exaction is not a tax, that the amount is no more than necessary to cover the reasonable costs of the governmental activity, and that the manner in which those costs are allocated to a payor bear a fair or reasonable relationship to the payor's burdens on, or benefits received from, the governmental activity.

IV. COMMENTS

1) Reclassifying Regulatory Fees as Taxes: Proposition 26 effectively reclassifies a host of state and local fees as taxes subject to a two-thirds vote requirement.[9] Impacted fees would include those that address the adverse effects on society or the environment caused by the fee payer's activities. As the Legislative Analyst notes, "[g]enerally, the types of fees and charges that would become taxes under the measure are ones that government imposes to address health, environmental, or other societal or economic concerns." The state currently uses these types of regulatory fees to fund the majority of its environmental programs. The Legislative Analyst notes the following three examples of regulatory fees that could be considered taxes under this measure:

    a) The Oil Recycling Fee: The state currently imposes a regulatory fee on oil manufacturers and uses the funds for public education programs, local used oil collection programs, recycling incentives, research and demonstration projects, and inspections of used-oil recycling facilities.

    b) The Hazardous Materials Fee: The state imposes a fee on businesses that treat, dispose of, or recycle hazardous waste. The funds raised are used to clean up toxic waste sites, promote pollution prevention, evaluate waste source reduction plans, and to certify new environmental technologies.

    c) Fees on Alcohol Retailers: Some cities impose a fee on alcohol retailers and use the funds for code and law enforcements. For example, in City of Oakland v. Superior Court, (1996) 45 Cal.App.4th 740, the Court of Appeal upheld city fees imposed on alcoholic beverage retailers to defray the cost of administering hearings into nuisance problems associated with the sale of those beverages. Specifically, the court observed, "If a business imposes an unusual burden on city services, a municipality may properly impose fees pursuant to its police powers" to assure that the persons responsible "pay their fair share of the cost of government." Id. at 761.

    In addition, the "Stop Hidden Taxes" coalition produced a rather comprehensive list of fees that presumably would be reclassified as "taxes" if this measure were to pass. This list includes air and water quality impact fees, traffic impact fees, public safety

[9] Specifically, Proposition 26 requires that certain state fees be approved by a two-thirds vote of the Legislature and that certain local fees be approved by two-thirds of voters.

impact fees, fees to fund drug education and health treatment, and fees covering the immunization of children. A complete copy of the list is attached to this paper as Attachment A.

2) Direct Democracy or Minority Rule?: In our representative system of government, local legislative bodies, like city councils and county boards of supervisors, are empowered to balance competing views and demands and to make decisions on behalf of the citizenry. By contrast, direct democracy places the decision-making power in the hands of the voters.

   Propositions 13 and 218 instituted voter approval requirements for certain taxes and assessments, thereby injecting an element of direct democracy into the decision-making process. At the same time, however, Propositions 13 and 218 created a system whereby most taxes require a two-thirds vote for passage. This essentially vests the minority with the power to block revenue-raising measures with which they disagree, even in cases where a clear majority of legislators or local voters have registered their support.

   Proposition 26 would continue this trend by empowering minority interests to block fees used to regulate specific activities or to ameliorate the negative societal or environmental effects of certain behavior.

3) Does Proposition 26 Undermine Proposition 13's Goal of Effective Tax Relief?: Regulatory fees shift the cost of controlling negative effects like pollution from the general tax-paying public to the persons or industries responsible for the harm. By limiting the ability of state and local governments to levy regulatory fees, the burden of mitigating these issues may fall more broadly on the general public in the form of increased state and local taxes, reduced public services, or both.

4) Proposition 26 May Lead to the Imposition of New Regulatory Burdens on Business: Proposition 26 would, among other things, reclassify a host of regulatory fees as taxes, thereby subjecting them to supermajority approval requirements. While the measure would make it more difficult to impose new fees on particular businesses to ameliorate the negative effects of their actions, it does nothing to prevent more direct legislative action to regulate business activities. Thus, if approved, Proposition 26 could create an incentive to increase the direct regulation of business activities.

5) Open Questions: Commentators have noted that this measure contains a number of ambiguities almost certain to generate litigation. For example, in a paper entitled "Prop. 26: New Supermajority Requirements for Regulatory Fees", Michael G. Colantuono of Colantuono & Levin, PC, notes the following open questions:

   a) Proposition 26 provides that the government bears the burden of proving that the manner in which fees are allocated bears a fair or reasonable relationship to "the payor's burdens on, or benefits received from, the governmental activity." As such, would the validity of a fee for gas service depend upon whether the payor is using the gas to heat a hospital (resulting in a large benefit) or to run a gas grill (resulting in a smaller benefit)? The answer to this is unclear.

b) Proposition 26 excludes, from the expanded definition of a tax, charges imposed for a specific government service or product provided directly to the payor "that is not provided to those not charged . . . ." It is unclear what impact this provision would have on fees that are either discounted or waived in the case of seniors or low-income individuals.

c) The definition of a "tax" imposed by the state differs slightly from the definition of a "tax" imposed by a local government. The import of these small differences (such as costs 'incident to' issuing a permit instead of 'for' issuing a permit) will likely require judicial clarification.

6) Requiring Supermajority Approval for any Change in Law that Results in any Taxpayer Paying a Higher Tax: Currently, the constitutionally-mandated two-thirds vote requirement applies to changes in state *taxes* enacted for the purpose of *increasing revenues*. Proposition 26 would amend this constitutional section to provide that "*[a]ny change* in state statute which [*sic*] results in *any taxpayer* paying a higher tax" must be passed by a two-thirds vote of the Legislature. (Emphasis added.) As noted below, these modifications could have far-reaching effects.

a) *Any* change in state statute: Proposition 26 is intended to shield taxpayers from a higher tax burden by making it more difficult for the Legislature to increase the rate or amount of state taxes. However, the proposition requires supermajority approval for *any* change in state statute (including changes unrelated to state tax law) that results in any taxpayer paying higher taxes, which could lead to rather absurd results. For example, if the Legislature were to pass a law increasing the state's minimum wage of $8.00 per hour, this would result in a large number of California employees receiving more income, and, as a result, paying more in income taxes. Under a strict reading of Proposition 26, this modification of the Labor Code would *result* (albeit indirectly) in certain taxpayers paying a higher tax. Consequently, one could credibly argue that the minimum wage law should be subject to a supermajority vote requirement in the state Legislature.

b) What about measures designed to increase compliance with existing tax law?: It is also unclear whether, under Proposition 26, efforts to increase compliance with existing tax law would be subject to supermajority approval. Section 3 of Article XIII A currently refers to changes in "state taxes" enacted through "*increased rates or changes in methods of computation*," thus, limiting its application only to changes in law that affect a determination of state tax liability. Changes in the *administration* of taxes are not changes that require a two-thirds vote of the Legislature under current law. In contrast, Proposition 26 applies to "any change in state statute," which arguably includes changes to the state's current tax enforcement and collection practices. For example, if the Legislature were to enact a new program designed to increase use tax collections related to out-of-state sales, this would almost certainly result in some taxpayers paying more in taxes. As such, one could argue that the new enforcement law should be subject to a two-thirds vote requirement, even though it does not increase the rates or the amount of tax actually due but only creates an additional tool for enforcing existing law.

c) Any taxpayer paying a higher tax: Under existing law, the two-thirds vote requirement only applies to a tax measure that, *on the whole*, increases state tax revenues. This has very important implications. For example, under current law, the state could pass, by a simple majority vote, a bill to impose $1 billion in excise taxes on oil producers as long as the bill reduced other state taxes (e.g., sales, income, etc.) by an equal or greater amount. Under Proposition 26, however, such a bill would be subject to a supermajority vote, because it would result in at least one entity or group paying more in taxes (i.e., oil producers).

7) The Repeal of Existing State Laws: Under Proposition 26, any state law adopted between January 1, 2010 and November 2, 2010, that conflicts with the measure would be repealed one year after the proposition's approval. This repeal would not take place, however, if the Legislature passed the law again by a two-thirds vote. It is currently unknown how many bills would fall under this repeal provision, but the Legislative Analyst has provided at least one important example concerning recent changes to fuel tax law. Specifically, the Legislative Analyst has noted:

> In the spring of 2010, the state increased fuel taxes paid by gasoline suppliers, but decreased other fuel taxes paid by gasoline retailers. Overall, these changes do not raise more state tax revenues, but they give the state greater spending flexibility over their use.
>
> Using this flexibility, the state shifted about $1 billion of annual transportation bond costs from the state's General Fund to its fuel tax funds. [. . .] This action decreases the amount of money available for transportation programs, but helps the state balance its General Fund budget. Because the Legislature approved this tax change with a majority vote in each house, this law would be repealed in November 2011 – unless the Legislature approved the tax again with a two-thirds vote in each house.

V. FISCAL IMPACT

The Legislative Analyst has provided the following fiscal analysis of Proposition 26:

1) Approval Requirement Changes: By expanding the scope of what is considered a tax, the measure would make it more difficult for state and local governments to pass new laws that raise revenues. This change would affect many environmental, health, and other regulatory fees [. . .], as well as some business assessments and other levies. New laws to create - or extend - these types of fees and charges would be subject to

the higher approval requirements for taxes.

The fiscal effect of this change would depend on future actions by the Legislature, local governing boards, and local voters. If the increased voting requirements resulted in some proposals not being approved, government revenues would be lower than otherwise would have occurred. This, in turn, likely would result in comparable decreases in state spending.

Given the range of fees and charges that would be subject to the higher approval threshold for taxes, the fiscal effect of this change could be major. Over time, we estimate that it could reduce government revenues and spending statewide by up to billions of dollars annually compared with what otherwise would have occurred.

2) Repeal of Conflicting Laws: Repealing conflicting state laws could have a variety of fiscal effects. For example, repealing the recent fuel tax laws would increase the state General Fund costs by about $1 billion annually for about two decades and increase funds available for transportation programs by the same amount.

   Because this measure could repeal laws passed *after* this analysis was prepared and some of the measure's provisions would be subject to future interpretation by the courts, we cannot estimate the full fiscal effect of this repeal provision. Given the nature of the proposals the state was considering in 2010, however, it is likely that repealing any adopted proposals would decrease state revenues (or in some cases increase state General Fund costs). Under this proposition, these fiscal effects could be avoided if the Legislature approves the laws again with a two-thirds vote of each house.

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VI. SUPPORT AND OPPOSITION

Support: According to the "Stop Hidden Taxes Measure" web site (http://www.no25yes26.com) updated as of September 13, 2010, the following entities support Proposition 26:

Co-Chairs

California Chamber of Commerce
California Taxpayers' Association

Organizations

60plus
American Council of Engineering
American GI Forum of California
American GI Forum Women of California
American Rental Association
Americans for Prosperity
Americans for Tax Reform
Anaheim Chamber of Commerce
Associated California Loggers
Association of California Life and Health Insurance Companies
Brawley Chamber of Commerce
California Asian Pacific Chamber of Commerce
California Association of Business, Property and Resource Owners (CABPRO)
California Automatic Vendors Council
California Automotive Wholesalers' Association
California Beer & Beverage Distributors
California Black Chamber of Commerce
California Business Alliance
California Business Properties Association
California Business Roundtable
California Cable & Telecommunications Association (CCTA)
California Citrus Mutual
California Cotton Ginners and Growers Association
California Delta Chambers & Visitor's Bureau
California Distributors Association
California Forestry Association
California Grocers Association
California Hispanic Chambers of Commerce
California Hotel & Lodging Association
California Independent Grocers Association
California Landscape Contractors Association
California League of Food Processors
California Manufacturers & Technology Association
California Metals Coalition
California Restaurant Association
California Retailers Association
California Service Station & Automotive Repair Association
California Small Brewers Association
California Taxpayer Protection Committee
California Trucking Association
Cambodian-American Chamber of Commerce
Central Coast Taxpayers Association
Central Solano Citizen/Taxpayer Group
Chemical Industry Council of California

Chino Valley Chamber of Commerce
Citizens for CA Reform
Coalition of Labor, Agriculture & Business of Santa Barbara County
Contra Costa Taxpayers Association
Dana Point Chamber of Commerce
Downey Chamber of Commerce
El Centro Chamber of Commerce
Family Winemakers of California
Folsom Chamber of Commerce
Fullerton Chamber of Commerce
Greater Conejo Valley Chamber of Commerce
Hispanic 100
Hispanic Chamber of Commerce of Alameda County
Howard Jarvis Taxpayers Association
Industrial Environmental Association
Inland Empire Taxpayers Association
Korean American Grocers Association
Latin Business Association
Los Angeles Metro Hispanic Chamber of Commerce
Milpitas Chamber of Commerce
Montclair Chamber of Commerce
Monterey Peninsula Taxpayers
National Federation of Independent Business – California
National Taxpayers Union
Neighborhood Market Association
Newport Beach Chamber of Commerce
Nicaraguan-American Chamber of Commerce, Northern California
Nisei Farmers League
North Orange County Legislative Alliance
North Valley Hispanic Chamber of Commerce
Orange County Taxpayers Association
Oxnard Chamber of Commerce
Palm Desert Chamber of Commerce
Palm Springs Chamber of Commerce
Pleasant Hill Taxpayers Association
Pomona Chamber of Commerce
Redlands Chamber of Commerce
Regional Hispanic Chamber of Commerce
Sacramento Asian American Minority, Inc.
Sacramento Asian Pacific Chamber of Commerce
Sacramento Hispanic Chamber of Commerce
San Diego County Hispanic Chamber of Commerce
San Diego Tax Fighters
San Francisco Chamber of Commerce
Santa Barbara Hispanic Chamber of Commerce
Santa Clara Chamber of Commerce

Santa Maria Valley Wine Country
Santa Rosa Chamber of Commerce
Silicon Valley Taxpayers' Association
Small Business Action Committee
South Bay Association of Chambers of Commerce
South Bay Latino Chamber of Commerce
Stockton Chamber of Commerce
Temecula Valley Winegrowers Association
United Californians for Tax Reform
Valley Industry & Commerce Association (VICA)
Valley Taxpayer's Coalition
Ventura County Taxpayers Association
Western Agricultural Processors Association
Western Electrical Contractors Association
Western Growers Association
Western Home Furnishings Association
Wine Institute
Wine Road Northern Sonoma County
The Wine Group

Small Businesses

All Star Rents
Altamura Winery
Ampelos Cellars
Anders-Lane Artisan Wines, LP
Arbios Wines Ltd
A-V Equipment Rentals, Inc.
Award Painting Co.
Azevedo Electric Inc.
Barney's Beanery
Bart Enterprises, Inc.
Barterra Winery
Blankiet Estate LLC
BMP Consulting Services, LLC
Bray Vineyards
Brochelle Vineyards
Bryant Family Vineyard
Byecroft Road Vineyards
Cal-West Rentals
Cantara Cellars
Carhartt Vineyard
Cedar Mountain Winery
Cedar Roof Care
Celebrations Party Rentals & Tents
Chandelle of Sonoma

Chase Family Cellars
Cheer EDU
Clos De La Tech, LLC
Clos Saron
Cloverdale Saw & Mower Center
Cold Heaven Cellars
Consilience Wines
Cooper-Garrod Estate Vineyards
Cottonwood Canyon Vineyard
Crooked Wine
Cuda Ridge Wines
Darrin Family Vineyards LLC
Diageo
Drew Family Cellars
Duckhorn Wine Company
Duralast Construction, Inc.
E-Marc Engineering, Inc.
Fallbrook Winery
Fong Enterprise
Foster's Wine Estates Americas
Four Brix Winery
Gandrud Financial Services Corporation
Heffernan Insurance Brokers
Heidrun Meadery
Heitz Wine Cellars
Heringer Estates, LLC
Honig Vineyard & Winery
Hopper Creek Winery
HydroPlant Hydroseeding, Inc.
Impact Resources, Inc.
ISU Insurance Services – ARMAC Agency
Jada Vineyard & Winery
Joe's Buggy Haus, Inc.
John Christopher Cellars
Korbel
Lafond Winery and Vineyard
La Honda Winery
Lamborn Family Wine Company
Lancaster Estate
Lanza Vineyards, Inc.
Liquid Bamboo, Inc.
Lost Coast Vineyards, Inc.
Lucas & Lewellen Vineyards
M.A.C. Wines, LLC dba Three Wine Company
Marine Mechanical Repair, Inc.
McGrail Vineyards & Winery

Midsummer Cellars
Mokelumne Glen Vineyards
Mount Aukum Winery
Napa Barrel Care
The Nipomo Wine Group – Phantom Rivers Winery
Paraiso Vineyards
PBG Capital, Inc.
Pedrizzetti Winery
Per Bacco Cellars
Performance Design & Landscape
Pilot Peak Vineyard and Winery
Pleasant Valley Vineyards, Inc.
Pleasanton Rentals, Inc.
Ponto Nursery
Proctor Trucking
ProTravel International
R. Merlo Estate Vineyards
RHEW, Inc.
Rhodes Landscape Design, Inc.
Rocca Family Vineyards
Rocco's Ristorante & Pizzeria
Rochioli Winery
Rodney Strong Vineyards
Sausal Winery
Sawyer Cellars
Scheid Vineyards
Schmidt Family Properties
Schug Carneros Estate Winery
Scotts Valley Chiropractic
Seghesio Family Vineyard
Shadow Mountain Vineyards & Winery, Inc.
Sierra Vista Winery
Silver Mountain
SkyDance Skydiving
Solune Winegrowers
Steltzner Vineyards
Stiles Truck Body & Equipment, Inc.
Still Waters Vineyards
Stony Ridge Winery
Story Winery
Summit Lake Vineyards & Winery L.L.C.
Terravant Wine Company
Terry Hoage Vineyards
The Aces Solution, LLC
Tolosa Winery
Tre Anelli

Trinchero Family Estates
V.Santoni & Co.
Vie-Del Company
Villicana Winery
Weibel Family Vineyards and Winery
Westbrook Wine Farm
William Knuttel Winery
Windsor Oaks Vineyards & Winery
Winterhawk Winery

Opposition: According to the "Taxpayers Against Protecting Polluters" web site (http://www.stoppolluterprotection.com), as of September 17, 2010, the following entities oppose Proposition 26:

Health

American Lung Association in California
California Association of Professional Scientists
California Center for Public Health Advocacy
California Nurses Association
Marin Institute
Prevention Institute
Public Health Institute
Public Health Law and Policy
Regional Asthma Management and Prevention

Environment

Sierra Club
California League of Conservation Voters
Natural Resources Defense Council
Planning and Conservation League
Communities for a Better Environment
Forests Forever
Californians Against Waste
California Coast Keeper Alliance
Endangered Habitats League
Environmental Defense Fund
Transform
Bay Localize

Public Safety

Peace Officers Research Association of California
California Professional Firefighters
California Statewide Law Enforcement Association

Civic/Community

League of Women Voters of California
California Alliance of Retired Americans
California Common Cause
California Council of Churches IMPACT
California Democratic Party
California Interfaith Power & Light
California NOW
Latino Voters League
California Young Democrats
Coalition on Regional Equity
Equality California
Los Angeles County Democratic Party
Peace and Freedom Party
San Francisco Human Services Network

Labor

California Labor Federation, AFL-CIO

Education

California Federation of Teachers
California Faculty Coalition
Faculty Association of California Community Colleges (FACCC)

Taxpayer

California Tax Reform Association

Consumer

Consumer Federation of California
Consumers for Auto Reliability and Safety
TURN-The Utility Reform Network

Government

California League of Cities
California State Association of Counties
Alameda County Public Health Commission
Madera County Board of Supervisors
Regional Council of Rural Counties
Sacramento County Board of Supervisors

San Francisco County Board of Supervisors
City of San Rafael

Newspapers

Contra Costa Times
Oakland Tribune
Ventura County Star