11.3 percent of the excess over three hundred thousand dollars ($300,000).

(iii) For that portion of taxable income that is over five hundred thousand dollars ($500,000), the tax rate is 12.3 percent of the excess over five hundred thousand dollars ($500,000).

(B) The income tax brackets specified in clauses (i), (ii), and (iii) of subparagraph (A) shall be recomputed, as otherwise provided in subdivision (h) of Section 17041 of the Revenue and Taxation Code, only for taxable years beginning on and after January 1, 2013.

(C) (i) For purposes of subdivision (g) of Section 19136 of the Revenue and Taxation Code, this paragraph shall be considered to be chaptered on November 6, 2012.

(ii) For purposes of Part 10 (commencing with Section 17001) of, and Part 10.2 (commencing with Section 18401) of, Division 2 of the Revenue and Taxation Code, the modified tax brackets and tax rates established and imposed by this paragraph shall be deemed to be established and imposed under Section 17041 of the Revenue and Taxation Code.

~~(D) This paragraph shall become inoperative on December 1, 2031.~~

(3) For any taxable year beginning on or after January 1, 2012, ~~and before January 1, 2031,~~ with respect to the tax imposed pursuant to Section 17041 of the Revenue and Taxation Code, the income tax bracket and the rate of 9.3 percent set forth in paragraph (1) of subdivision (c) of Section 17041 of the Revenue and Taxation Code shall be modified by each of the following:

(A) (i) For that portion of taxable income that is over three hundred forty thousand dollars ($340,000) but not over four hundred eight thousand dollars ($408,000), the tax rate is 10.3 percent of the excess over three hundred forty thousand dollars ($340,000).

(ii) For that portion of taxable income that is over four hundred eight thousand dollars ($408,000) but not over six hundred eighty thousand dollars ($680,000), the tax rate is 11.3 percent of the excess over four hundred eight thousand dollars ($408,000).

(iii) For that portion of taxable income that is over six hundred eighty thousand dollars ($680,000), the tax rate is 12.3 percent of the excess over six hundred eighty thousand dollars ($680,000).

(B) The income tax brackets specified in clauses (i), (ii), and (iii) of subparagraph (A) shall be recomputed, as otherwise provided in subdivision (h) of Section 17041 of the Revenue and Taxation Code, only for taxable years beginning on and after January 1, 2013.

(C) (i) For purposes of subdivision (g) of Section 19136 of the Revenue and Taxation Code, this paragraph shall be considered to be chaptered on November 6, 2012.

(ii) For purposes of Part 10 (commencing with Section 17001) of, and Part 10.2 (commencing with Section 18401) of, Division 2 of the Revenue and Taxation Code, the modified tax brackets and tax rates established and imposed by this paragraph shall be deemed to be established and imposed under Section 17041 of the Revenue and Taxation Code.

~~(D) This paragraph shall become inoperative on December 1, 2031.~~

(g) (1) The Controller, pursuant to his or her statutory authority, may perform audits of expenditures from the Local Revenue Fund 2011 and any County Local Revenue Fund 2011, and shall audit the Education Protection Account to ensure that those funds are used and accounted for in a manner consistent with this section.

(2) The Attorney General or local district attorney shall expeditiously investigate, and may seek civil or criminal penalties for, any misuse of moneys from the County Local Revenue Fund 2011 or the Education Protection Account.

SEC. 5. Conflicting Measures.

In the event that this measure and another measure that affects the tax rates for personal income shall appear on the same statewide ballot, the provisions of the other measure or measures shall be deemed to be in conflict with this measure. In the event that this measure receives a greater number of affirmative votes than a measure deemed to be in conflict with it, the provisions of this measure shall prevail in their entirety, and the other measure or measures shall be null and void.

SEC. 6. Severability.

If the provisions of this act, or part thereof, are for any reason held to be invalid or unconstitutional, the remaining provisions shall not be affected but shall remain in full force and effect and to this end the provisions of this act are severable.

SEC. 7. Proponent Standing.

Notwithstanding any other provision of law, if the state, government agency, or any of its officials fail to defend the constitutionality of this act, following its approval by the voters, any other government employer, the proponent, or in their absence, any citizen of this state shall have the authority to intervene in any court action challenging the constitutionality of this act for the purpose of defending its constitutionality, whether such action is in trial court, on appeal, or on discretionary review by the Supreme Court of California or the Supreme Court of the United States. The fees and costs of defending the action shall be a charge on funds appropriated to the Attorney General, which shall be satisfied promptly.

PROPOSITION 4

This law proposed by Senate Bill 42 of the 2025–2026 Regular Session (Chapter 245, Statutes of 2025) is submitted to the people in accordance with Section 10 of Article II of the California Constitution.

This proposed law amends sections of the Government Code; therefore, 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. This act shall be known, and may be cited, as the California Fair Elections Act of 2026.

SEC. 2. The Legislature finds and declares all of the following:

(a) All citizens should be able to make their voices heard in the political process and hold their elected officials accountable.

(b) Elections for local or state elective office should be fair, open, and competitive.

(c) The increasing costs of political campaigns can force candidates to rely on large contributions from wealthy donors and special interests, which can give those wealthy donors and special interests disproportionate influence over governmental decisions.

(d) Such disproportionate influence can undermine the public's trust that public officials are performing their duties in an impartial manner and that government is serving the needs and responding to the wishes of all citizens equally, without regard to their wealth.

(e) Special interests contribute more to incumbents than challengers because they seek access to elected officials, and such contributions account for a large portion of the financial incumbency advantage, as confirmed by studies such as those published in the Journal of Politics in 2014 and Political Research Quarterly in 2016.

(f) Citizen-funded election programs, in which qualified candidates can receive public funds for the purpose of communicating with voters rather than relying exclusively on private donors, are currently operative in five charter cities in California, as well as numerous other local and state jurisdictions.

(g) Citizen-funded election programs encourage competition by reducing the financial advantages of incumbency and making it possible for citizens from all walks of life, not only those with connections to wealthy donors or special interests, to run for office, as confirmed by studies such as those published in State Politics and Policy Quarterly in 2008, and by the Campaign Finance Institute in 2015, the National Institute on Money in State Politics in 2016, and the State Politics and Policy Quarterly in 2022.

(h) By reducing reliance on wealthy donors and special interests, citizen-funded election programs inhibit improper practices, protect against corruption or the appearance of corruption, and protect the political integrity of our governmental institutions.

(i) In Johnson v. Bradley (1992) 4 Cal.4th 389, the California Supreme Court highlighted the Court of Appeal's observation that "it seems obvious that public money reduces rather than increases the fund raising pressures on public office seekers and thereby reduces the undue influence of special interest groups."

(j) In Buckley v. Valeo (1976) 424 U.S. 1, the United States Supreme Court recognized that "public financing as a means of eliminating the improper influence of large private contributions furthers a significant governmental interest."

(k) In Arizona Free Enterprise v. Bennett (2011) 564 U.S. 721, the United States Supreme Court acknowledged that public financing of elections "can further 'significant governmental interest[s]' such as the state interest in preventing corruption," quoting Buckley v. Valeo.

(*l*) In Buckley v. Valeo, the United States Supreme Court further noted that citizen-funded elections programs "facilitate and enlarge public discussion and participation in the electoral process, goals vital to a self-governing people."

(m) The absolute prohibition on public campaign financing allows special interests to gain disproportionate influence and unfairly favors incumbents. An exception should be created to permit citizen-funded election programs so that elections may be conducted more fairly.

SEC. 3. Section 85300 of the Government Code is amended to read:

85300. (a) ~~Except as provided in subdivision (b), a~~ *A* public officer shall not expend, and a candidate shall not accept, any public ~~moneys~~ *funds* for the purpose of seeking elective ~~office.~~ *office if the funds are earmarked by any state or local entity for education, transportation, or public safety.*

~~(b) A public officer or candidate may expend or accept public moneys for the purpose of seeking elective office if the state or a local governmental entity establishes a dedicated fund for this purpose by statute, ordinance, resolution, or charter, and both of the following are true:~~

~~(1) Public moneys held in the fund are available to all qualified, voluntarily participating candidates for the same office without regard to incumbency or political party preference.~~

~~(2) The state or local governmental entity has established criteria for determining a candidate's qualification by statute, ordinance, resolution, or charter.~~

(b) Candidates shall abide by expenditure limits and meet strict criteria to qualify for public funds.

(c) Public funds shall not be utilized to pay legal defense fees or fines.

(d) (1) A candidate shall not, at any time, use public funds to repay a personal loan to their campaign.

(2) A candidate who receives public funds for their campaign shall not, after their campaign ends, use any source of funds to repay a personal loan to their campaign.

(e) For purposes of this section, the following definitions apply:

(1) "Available candidate funds" means the candidate's expenditure limit or the sum of all contributions and public funds received by the candidate's controlled committee for the elective office, whichever is less.

(2) "Expenditure limits" means voluntary spending limits established by statute, ordinance, or charter that qualified, voluntarily participating candidates must abide by to receive public funds.

(3) "Independent expenditures against" means the sum of any expenditures made or expenses incurred by any person or persons for the purpose of making independent expenditures in opposition to a specific candidate.

(4) "Independent expenditures in support" means the sum of any expenditures made or expenses incurred by any person or persons for the purpose of making independent expenditures in support of a specific candidate.

(5) "Net supportive funds" means the sum of available candidate funds, plus the independent expenditures in support of that candidate, minus the independent expenditures against that candidate.

(6) "Public funds" means any moneys provided to a candidate by a state or local governmental entity for the purpose of seeking elective office.

(7) (A) "Strict criteria" means the requirements set by statute, ordinance, or charter that candidates must meet to receive public funds. These criteria shall require candidates to demonstrate broad-based support in their district, such as by requiring candidates to receive small-dollar contributions or vouchers from a specified number of voting-age residents.

(B) (i) If a statute, ordinance, or charter requires a minimum number of individuals making small-dollar contributions pursuant to subparagraph (A), the largest contribution the statute, ordinance, or charter may require for a contributor to be counted is ten dollars ($10).

(ii) For purposes of this subparagraph, a statute, ordinance, or charter may allow a contribution larger than the small-dollar contribution amount required pursuant to subparagraph (A) to be counted as a contribution equal to the small-dollar contribution amount required pursuant to subparagraph (A).

(C) "Strict criteria" shall not include requirements that candidates receive a specified number of signatures or raise a specified total dollar amount of more than ten dollars ($10) per contributor.

(f) (1) A statute, ordinance, or charter may increase the expenditure limits for each qualified, voluntarily participating candidate.

(2) An increased limit pursuant to this subdivision shall not exceed an amount equal to the highest dollar amount of net supportive funds of any other candidate for the same office, plus the dollar amount of independent expenditures against the qualified, voluntarily participating candidate, minus the dollar amount of independent expenditures in support of the qualified, voluntarily participating candidate.

(g) Public funding statutes, charters, ordinances, and resolutions shall not discriminate based on party or according to whether a candidate is a challenger or an incumbent.

(h) The Commission is not responsible for the administration or enforcement of a system of public funding of candidates established by a local governmental agency.

(i) Subdivisions (e), (f), and (h) of this section may be amended by statute pursuant to subdivision (a) of Section 81012. The remaining subdivisions of this section may be amended only by a statute that complies with subdivision (b) of Section 81012.

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SEC. 4.1. Section 85320 of the Government Code is amended to read:

85320. (a) A foreign government, foreign principal, or foreign national shall not make, directly or through any other person, a contribution, expenditure, or independent expenditure in connection with the qualification or support of, or opposition to, any state or local ballot measure or in connection with the election of a candidate to state or local office.

(b) A person or a committee shall not solicit or accept a contribution from a foreign government, foreign principal, or foreign national in connection with the qualification or support of, or opposition to, any state or local ballot measure or in connection with the election of a candidate to state or local office.

(c) For the purposes of this section, the following terms have the following meanings:

(1) (A) "Foreign national" means a person who is not a citizen of the United States and who is not a lawfully admitted permanent resident.

(B) "Foreign national" does not include a person who has been granted deferred action, and whose deferred action has not expired, under the federal Deferred Action for Childhood Arrivals (DACA) program, as described in guidelines issued by the United States Department of Homeland Security.

(2) "Foreign principal" includes any of the following:

(A) A foreign political party.

(B) A person outside the United States, unless either of the following is established:

(i) The person is an individual and a citizen of the United States.

(ii) The person is not an individual and is organized under or created by the laws of the United States or of any state or other place subject to the jurisdiction of the United States and has its principal place of business within the United States.

(C) A partnership, association, corporation, organization, or other combination of persons organized under the laws of or having its principal place of business in a foreign country.

(D) A domestic subsidiary of a foreign corporation if the decision to contribute or expend funds is made by an officer, director, or management employee of the foreign corporation who is neither a citizen of the United States nor a lawfully admitted permanent resident of the United States.

(d) This section shall not prohibit a contribution, expenditure, or independent expenditure made by a lawfully admitted permanent resident.

(e) *(1)* Any person who violates this section shall be guilty of a ~~misdemeanor and shall be fined an amount equal to the amount contributed or expended.~~ *misdemeanor.*

(2) In addition to other penalties, a person who violates this section shall be fined an amount at least equal to the amount contributed or expended, but not exceeding an amount equal to three times the amount contributed or expended.

PROPOSITION 5

This amendment proposed by Senate Constitutional Amendment 1 of the 2023–2024 Regular Session (Resolution Chapter 204, Statutes of 2024) expressly amends the California Constitution by amending sections thereof; 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 AMENDMENTS TO ARTICLES II AND V

First—That Section 15 of Article II thereof is amended to read:

SEC. 15. (a) An election to determine whether to recall an officer ~~and, if appropriate, to elect a successor~~ shall be called by the Governor and held not less than 60 days nor more than 80 days from the date of certification of sufficient signatures.

(b) A recall election may be conducted within 180 days from the date of certification of sufficient signatures in order that the election may be consolidated with the next regularly scheduled election occurring wholly or partially within the same jurisdiction in which the recall election is held, if the number of voters eligible to vote at that next regularly scheduled election equal at least 50 percent of all the voters eligible to vote at the recall election.

(c) If the majority vote on the question is to recall, the officer is removed ~~and, if there is a candidate, the candidate who receives a plurality is the successor. The officer may not be a candidate, nor shall there be any candidacy for an office filled pursuant to subdivision (d) of Section 16 of Article VI.~~ *and the office shall be vacant. The vacancy shall be filled in accordance with this Constitution and statute, provided that the officer who was the subject of the recall election shall not be appointed to fill the vacancy in that office.*

Second—That Section 17 of Article II thereof is amended to read:

SEC. 17. If recall of the Governor or Secretary of State is initiated, the recall duties of that office shall be performed by the ~~Lieutenant Governor~~ *Secretary of State* or Controller, respectively. *If recalls of the Governor and Secretary of State are initiated at the same time, the recall duties of both offices shall be performed by the Controller.*

Third—That Section 10 of Article V thereof is amended to read:

SEC. 10. *(a)* The Lieutenant Governor shall become Governor when a vacancy occurs in the office of Governor.

(b) Notwithstanding subdivision (c) of Section 15 of Article II, if the Governor is removed from office by recall, the Lieutenant Governor shall become Governor for the remainder of the unexpired term. If the Governor is removed from office by recall before the close of the nomination period for the next statewide election during the first two years of the Governor's term, a special election shall be called to replace the Governor and shall be consolidated with the statewide primary election and, if necessary, the subsequent statewide general election. If a candidate receives a majority of the votes in the special election that is consolidated with the statewide primary election, that candidate shall become Governor for the remainder of the unexpired term. If no candidate receives a majority of the votes, the top two vote-getters shall compete in a special election consolidated with the subsequent statewide general election, and the winner of that election shall become Governor for the remainder of the unexpired term.

(c) The Lieutenant Governor shall act as Governor during the impeachment, absence from the State, or other temporary disability of the Governor or of a Governor-elect who fails to take office.

(d) The Legislature shall provide an order of precedence after the Lieutenant Governor for succession to the office of Governor and for the temporary exercise of the Governor's functions.

(e) The Supreme Court has exclusive jurisdiction to determine all questions arising under this section.

(f) Standing to raise questions of vacancy or temporary disability is vested exclusively in a body provided by statute.

PROPOSITION 37

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.