2026 Proposition Ballot Guide

California Proposition 40: One-Time Wealth Tax for State-Funded Healthcare, Education, and Food Assistance Programs Initiative (2026)

Torrance Chamber Position: OPPOSED

Analysis: If passed, this initiative would levy a one-time 5% tax on the accumulated wealth of taxpayers and trusts with covered assets valued over $1 billion, including shares of capital stock, bonds or other evidence of indebtedness. The Torrance Chamber is opposed as this wealth tax will severely affect the tax base and investment climate of California while only providing short term revenue for state services. The state of California is likely to face extreme capital flight as a result of this retroactive tax which could put immense pressure on state budgets moving forward.

California Proposition 41: Prohibit Excluding New State Taxes from Spending Limit and Require Special Tax Audits Initiative (2026)

Torrance Chamber Position: SUPPORT

Analysis: If passed, Prop 41 would be relevant when special taxes are proposed by voter initiatives, the California State Auditor would have to review programs funded by the tax before the initiative appears on the ballot. The California State Auditor also would regularly review programs funded by special taxes approved by voters or the Legislature. In addition, the state might not be able to exclude any new special tax spending from its spending limit. Prop 41 would effectively increase oversight and accountability for new or increased state special taxes by requiring independent audits of the programs receiving those revenues. It would also strengthen fiscal discipline by identifying potential savings, giving voters more information about proposed taxes, and limiting exemptions from California's constitutional spending limit.

California Proposition 42:Prohibit New Taxes on Retirement Holdings, Personal Assets, and Savings and Limit Retroactive Taxes Initiative (2026)

Torrance Chamber Position: SUPPORT

Analysis: If passed, Proposition 42 would make it much harder to create a wealth tax in California by prohibiting new taxes on the mere ownership of assets such as investment accounts, business interests and personal property — assets that are typically only taxed when they are sold or generate income. Proposition 42 would provide greater tax certainty by preventing California from imposing new taxes on the ownership of assets, including investments, retirement accounts, intellectual property, and business interests. It would also create a more predictable tax environment by restricting retroactive taxation and protecting accumulated assets from future ownership-based state taxes.

California Proposition 45: Changes to Environmental Review Process for Certain Projects Initiative (2026)

Torrance Chamber Position: SUPPORT

Analysis: A YES vote on this measure means: certain public and private projects would be eligible for new project review and court challenge procedures. For example, new procedures would tighten time limits for environmental review and reduce the scope of what courts can consider when reviewing legal challenges. Proposition 45 would make it faster and more predictable to build essential projects—including housing, water infrastructure, transportation, health facilities, schools, broadband, and clean energy—by establishing firmer deadlines for environmental review, permitting, and legal challenges. These streamlined procedures would reduce project delays and costs while allowing infrastructure and development projects to be completed sooner.