Prop 16 & 17 Will Cost You

Higher Utility Bills with Prop 16

One wealthy utility – PG&E – put Prop 16 on the ballot to guarantee that its electric monopoly will never be challenged. Prop 16 locks in the high rates that PG&E charges for electricity. It makes it almost impossible for consumers to save money on their utility bills through bulk purchasing arrangements with electric suppliers.

Environmentalists oppose Prop 16 because it reduces access to green renewable electricity options. Unions and local businesses oppose Prop 16 because legal experts believe that in areas served by municipal electric utilities (LA Department of Water and Power, Sacramento Municipal Utility District, and many others) it would stop housing sales and job creation. (more inside)

No on 16

Prop 17 takes the “for sale” sign off the Capitol

Consumers face an uphill battle in Sacramento where big insurance, oil, drug companies and other wealthy industries open their checkbooks wide for politicians. Candidates have spent a billion dollars since 2001, much of it from big businesses that put profits ahead of consumer protection.

Prop 15 is a public finance pilot project for candidates for Secretary of State. Candidates who demonstrate a strong base of grassroots support qualify for funding, allowing them to campaign on the issues, instead of catering to special interest donors. Prop 15 does not increase taxes.

Yes on 15

Higher Insurance Bills with Prop 17

One huge insurance company - Mercury Insurance – put Prop 17 on the ballot, to legalize discriminatory practices that would increase auto premiums for millions of motorists.

Prop 17 would repeal a key provision of a voter approved insurance rate regulation (Prop 103) that has saved California motorists over $60 billion in excessive insurance rate hikes. Prop 17 allows auto insurers to raise your premium if you have a break in insurance coverage for three months – for any reason – even if you have a perfect driving record. In Nevada, where Prop 17’s rates are permitted, a good driver pays 73% more for an auto insurance policy, simply if the motorist had a break in coverage for a reason such as stateside military service, a period of unemployment, or a disability that prevented the person from driving. (more inside)

No on 17

No on 16
**PG&E Power Grab**

Individual customers have no bargaining power with PG&E or other for-profit utilities. PG&E sets the rate. You pay the bill. End of discussion. PG&E is spending $35 million on Prop 16 to make sure this never changes. PG&E wants to lock in its high rates and electric monopoly.

**Stops Competition**

A new law lets cities negotiate better rates directly from companies that generate electricity. Using the combined purchasing power of thousands of residents, cities can bypass PG&E to save customers money.

Prop 16 requires a two-thirds vote before any city can negotiate better electric rates for residents. If Prop 16 passes, any time local government wants to get residents a better deal, PG&E will do exactly what they are doing right now with Prop 16 – spend a fortune on ads to mislead voters. And PG&E will only need to trick one-third of voters in any city to stop price competition.

**Hurts Green Energy**

Several cities are negotiating to buy green power from generators of wind, solar and other renewable electricity. But Prop 16’s 2/3 vote requirement will halt cities from moving faster to renewable electricity. But Prop 16’s 2/3 vote requirement will halt cities from moving faster to renewable electricity.

**Insurance Industry Money Grab**

Mercury Insurance has spent $10 million on Prop 17. It raises rates on millions of California motorists. Prop 17 lets insurers charge higher rates for motorists with perfect driving records, simply for a 90 day break in coverage for any reason in the past five years. **With Prop 17:**

**Soldiers Will Pay Higher Insurance Rates** – Service personnel stationed stateside on a base will pay higher rates when they return to civilian life and start driving.

**Unemployed Workers Pay Higher Rates** – Cancel an insurance policy to save money while unemployed, pay higher rates when you find a job and resume commuting.

**Temporarily Disabled Pay Higher Rates** – Cancel coverage while recuperating and unable to drive, rates go up when you’re well enough to get behind the wheel.

Others facing higher rates under Prop 17 are people who start driving to new jobs after commuting by public transit and college students entering the workforce.

**What they’re saying about Prop 16**

“does not level the playing field. It devastates it.”
- San Francisco Chronicle Editorial, April 18, 2010

“The PG&E ballot measure is another troubling example of the initiative process going dangerously awry in California, of a powerful special interest seizing the initiative process for its own narrow benefit.”
- Sacramento Bee Editorial, January 19, 2010

We Agree

- California Nurses Association
- California Alliance for Retired Americans
- California Labor Federation
- Consumer Federation of California

Yes on 15
No on 16 and 17

**What they’re saying about Prop 17**

“Proposition 17 isn’t about lowering the cost of insurance; it’s about raising the cost for those who can least afford it. Vote no.”
- Bakersfield Californian Editorial, May 6, 2010

“This is a special-interest initiative, pure and simple.”
- Los Angeles Daily News Editorial, April 17, 2010

Follow the Money

**By Richard Holober**
Executive Director
Consumer Federation of CA

Here’s a clue to figure out who a ballot measure helps: follow the money.

The non-profit Consumer Federation of California evaluates ballot propositions to determine their impact on consumers. We urge you to reject Props 16 and 17. Each is designed to serve a special interest, at our expense.

PG&E wrote Prop 16 and contributed $34.6 million to win its passage.

The Prop 16 TV ads fail to mention that it guarantees that PG&E’s monopoly over high priced electricity will never be challenged. Prop 16 makes it nearly impossible for locally elected officials to use the purchasing power of tens of thousands of city residents to bypass PG&E and negotiate discounts from independent power generation companies.

PG&E’s CEO is spending millions of its ratepayer dollars to crush its competition without ever asking for ratepayer approval. But PG&E wrote a constitutional amendment into Prop 16 requiring a 2/3 majority vote before elected local officials can negotiate lower electric rates. Talk about a double standard!

Mercury Insurance wrote Prop 17 and contributed $10 million to win its passage. When was the last time an insurance company spent a fortune to save you money?

Millions of Californians would pay higher auto insurance rates under Prop 17. The Prop 17 ads fail to mention that insurance discounts to some motorists must be offset by higher rates to others.

Prop 17 would allow insurers to raise the rate on a motorist with a perfect driving record, simply for having a 90 day break in insurance coverage in the past five years.

Mercury Insurance is facing fines amounting to millions of dollars from state regulators for allegations of discrimination and unfair insurance practices. Prop 17 would make some of these practices legal.

Props 16 and 17 offer laboratory examples of how the ballot initiative has been twisted into yet another weapon in the arsenal of wealthy special interests.

Our votes should speak louder than their millions. This June, let’s send Props 16 and 17 packing.