



2026 Propositions CSSA Voter Recommendations

Recommended CSSA positions and industry relevance

This document presents recommended positions on eight California ballot measures and explains their relevance to self storage owners and operators. Six measures are recommended for support and two for opposition. The table below provides a quick reference; the following pages present the analysis for each measure.

Recommendations at-a-glance

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How to use this document

Each measure includes a recommended position, an overview, its relevance to CSSA, and the rationale for the recommendation. More information links appear at the end of each section.

Proposition 1

Housing Bond

Recommended position: **SUPPORT**

Overview

Authorizes \$11.25 billion in state general obligation bonds, including \$10 billion for affordable housing and homeownership programs and \$1.25 billion for veterans' housing assistance.

Relevance to CSSA

- Proposition 1 is primarily a housing-supply and economic-development measure rather than a self storage-specific proposal.
- Increased housing production of any kind creates new residential communities and population growth. Both can support demand for self storage, particularly in growing markets.
- The measure also provides funding for housing infrastructure and development, potentially supporting broader development and redevelopment activity in communities where CSSA members operate.
- The connection to CSSA is indirect, but the industry generally benefits from healthy housing production, household formation, residential mobility, and growing communities.
- The principal tradeoff is the cost of the borrowing. The state is estimated to incur approximately \$500 million to \$600 million annually for about 25 years to repay the bonds.

Recommendation rationale

Support is consistent with CSSA's interest in housing production, of any kind, community growth, and a development environment that supports new residential construction. While Proposition 1 does not directly affect self storage operations, increased housing supply, even specific to affordable housing, and residential development have a reasonable connection to the markets CSSA members serve.

More information: [California Voter Information Guide](#)

Proposition 3

Permanent Tax on High Earners

Recommended position: **OPPOSE**

Overview

Makes permanent existing voter-approved personal income tax rates on high-income earners that otherwise expire in 2031. The measure would maintain an estimated \$5 billion to \$15 billion annually in state revenue, with revenues supporting public education and additional General Fund resources available for health care and other programs.

Relevance to CSSA

- The connection to the self storage industry is relatively indirect. Proposition 3 taxes personal income rather than commercial property, self storage operations, or industry-specific regulation.
- The measure will affect many individual business owners and investors, although it does not directly target self storage businesses or commercial real estate.
- California's top marginal state income tax rate is 13.3%, the highest in the United States.
- The tax rates are already in place; Proposition 3 would make them permanent rather than allowing them to expire in 2031.
- Given the variable income of the self storage industry and Prop 3's impact on cash flow to the owners and operators, there is a strong industry-specific rationale for CSSA to oppose.
- CSSA has several other ballot measures before it with considerable direct implications for business taxation, commercial development, and the regulatory environment.
- There is a practical question of what happens if this revenue eventually goes away. California is already facing ongoing budget problems, and if Prop. 40 fails, that takes another potential source of new revenue off the table. If the state ultimately loses the billions it currently collects from these higher income tax rates, it will either have to cut spending or look somewhere else for revenue. From CSSA's perspective, keeping an existing tax could be better than creating more pressure for future taxes that could hit businesses, commercial property, or your members more directly, but because this was meant to be a temporary tax, not a perpetual funding source that impacts self storage owners' and operators' cash flow we recommend opposing.

Recommendation rationale

Oppose is consistent with CSSA protecting the cash flow of self storage owners and operators so they can grow their companies, hire more employees, and invest in their futures.

More information: [California Voter Information Guide](#)

Proposition 37

Middle Income Homeownership

Recommended position: **SUPPORT**

Overview

Authorizes up to \$25 billion in revenue bonds to finance mortgages covering up to 17% of the purchase price for eligible middle-income purchasers of qualifying newly constructed homes. The bonds would be repaid through homeowner mortgage payments rather than the state's General Fund.

Relevance to CSSA

- Proposition 37 has an indirect but identifiable connection to CSSA through new housing construction and homeownership.
- Because eligibility is tied to qualifying newly constructed homes or the first sale of certain converted properties, the program could encourage residential development and home purchases.
- New housing developments, household formation, and residential moves can increase demand for nearby self storage services, particularly in growing communities.
- The measure does not directly regulate self storage facilities or change commercial property taxation, permitting, or facility operations.
- Unlike a general obligation bond, the measure uses revenue bonds that are intended to be repaid through participating homeowners' mortgage payments. The Legislative Analyst identifies no direct state or local government costs associated with the program.

Recommendation rationale

Support is consistent with CSSA's broader interest in housing production, homeownership, residential mobility, and community growth. The connection is indirect, but the measure could stimulate new housing activity without directly imposing new costs or regulatory requirements on self storage operators.

More information: [California Voter Information Guide](#)

Proposition 40

One Time Wealth Tax

Recommended position: **OPPOSE**

Overview

Imposes a one-time tax of up to 5% on certain taxpayers with more than \$1 billion in covered assets. Covered assets include businesses, securities, intellectual property, art, and other financial assets, while real property and certain retirement assets generally are excluded. Ninety percent of the revenue would be dedicated to health care.

Relevance to CSSA

- Proposition 40 does not directly impose a new tax on self storage real estate, and its \$1 billion threshold means the tax would directly apply to a very small number of Californians.
- However, the measure is relevant to CSSA's broader business-policy interests because business ownership interests are expressly included among the assets subject to the tax.
- This distinguishes Proposition 40 from measures affecting only personal income. It establishes a new form of state taxation based on ownership and valuation of business and investment assets.
- The Legislative Analyst estimates the tax would generate tens of billions of dollars in temporary revenue spread over several years, while also identifying a possible ongoing reduction of less than \$1 billion annually in income-tax revenue from billionaires.
- Hoover Institution estimates Proposition 40 would produce a net loss of about \$25 billion in future income tax revenue once the impact of billionaire outmigration is factored in.
- Proposition 40 also directly intersects with Propositions 41 and 42. Those measures contain provisions intended to restrict new taxes or invalidate conflicting measures under specified circumstances.

Recommendation rationale

Oppose is consistent with CSSA's broader interest in protecting business ownership interests and maintaining a predictable tax environment for entrepreneurs, investors, and privately held businesses. Although very few CSSA members would be directly subject to Proposition 40, the measure establishes a new state tax based in part on the value of business ownership interests, creating a clearer business-policy nexus than Proposition 3.

More information: [California Voter Information Guide](#)

Proposition 41

State Tax Accountability

Recommended position: **SUPPORT**

Overview

Requires audits of programs funded through certain new statewide special taxes and prohibits new state taxes from excluding their revenues from California's voter-approved state spending limit.

Relevance to CSSA

- Proposition 41 has a stronger connection to CSSA's business and taxpayer interests. Members operate capital-intensive businesses and commercial properties and are affected by California's overall tax and regulatory environment.
- The measure would require pre-election audits of programs proposed to receive funding from certain voter-proposed special taxes, as well as recurring audits of programs funded by new special taxes.
- These requirements could provide businesses and taxpayers with additional information about the effectiveness and performance of programs financed through dedicated taxes.
- The measure also restricts the state's ability to design new taxes whose revenues are excluded from California's voter-approved spending limit.
- Proposition 41 has relevance in 2026 because it states that conflicting measures on the same ballot would be void if Proposition 41 receives more affirmative votes. This creates a potential interaction with Proposition 40.

Recommendation rationale

Support aligns with CSSA's interest in tax transparency, fiscal accountability, and predictable limits on state taxation and spending. The measure does not provide a direct financial benefit to self storage operators, but it establishes additional taxpayer safeguards applicable to future statewide special taxes.

More information: [California Voter Information Guide](#)

Proposition 42

Personal Property and Retroactive Taxes

Recommended position: **SUPPORT**

Overview

Prohibits new state taxes on ownership of personal property, including business interests, intellectual property, financial assets, and investment assets, and prohibits certain state taxes from applying retroactively.

Relevance to CSSA

- Proposition 42 has one of the clearest business-tax connections among the measures on the ballot because its protections expressly include business ownership interests and financial assets.
- CSSA members include privately held businesses, partnerships, LLCs, investors, and other business ownership structures that could have an interest in limiting future state taxes imposed simply because an individual or entity owns a business or financial asset.
- The prohibition on specified retroactive taxes also provides businesses and investors with greater certainty when making investment, ownership, and financial decisions.
- The measure would not prohibit all future state taxes. Rather, it restricts specified taxes based on ownership of personal property and certain taxes applied retroactively.
- Proposition 42 also has a direct relationship to Proposition 40. It applies to taxes enacted or taking effect on or after January 1, 2026, and provides that conflicting measures on the same ballot are void if Proposition 42 receives more affirmative votes.

Recommendation rationale

Support has a direct connection to CSSA's interest in protecting business ownership, investment, and tax predictability. Unlike several other measures on the ballot, Proposition 42 expressly addresses business interests and therefore presents a clear nexus to CSSA members as business owners and investors.

More information: [California Voter Information Guide](#)

Proposition 43

Local Tax Thresholds

Recommended position: **SUPPORT**

Overview

Beginning in 2027, requires two-thirds voter approval for voter-proposed local special taxes, rather than the simple majority currently required for such measures.

Relevance to CSSA

- Proposition 43 is relevant to CSSA because self storage facilities are inherently local businesses and can be affected by taxes imposed by cities, counties, and special districts.
- Local special taxes can affect the cost of doing business, commercial property, customers, development, transportation, public safety, and other services relevant to facility operations.
- Requiring two-thirds approval would establish a higher threshold before new voter-proposed local special taxes could be imposed.
- The measure does not prohibit local special taxes. Instead, it requires broader voter agreement before specified taxes can take effect.
- Proposition 43 does not eliminate the current transfer taxes such as ULA in Los Angeles County, but it will make it harder to for local taxes in the future.
- The Legislative Analyst notes that the measure could result in local government tax revenues not increasing as much as they otherwise would because some proposed taxes that could pass under a majority threshold might not reach two-thirds.

Recommendation rationale

Support is consistent with CSSA's interest in taxpayer protections and predictability in the local business environment. Because self storage facilities are fixed-location businesses that cannot readily relocate in response to local tax changes, the threshold for approving new local special taxes has a meaningful connection to CSSA members.

More information: [California Voter Information Guide](#)

Proposition 45

CEQA Reform

Recommended position: **SUPPORT**

Overview

Modifies CEQA procedures for specified categories of projects, including most housing, transportation, water, health, wildfire mitigation, educational facilities, internet access, and clean-energy projects, by establishing review deadlines and changing procedures governing environmental review and court challenges.

Relevance to CSSA

- Proposition 45 has one of the clearest connections to CSSA's existing advocacy around commercial property, permitting, development, and regulatory costs.
- California's environmental review and entitlement processes affect the broader development environment in which CSSA members build, expand, acquire, and operate commercial properties.
- The measure establishes deadlines for environmental review and government action and changes procedures governing lawsuits challenging eligible projects. Greater certainty in development timelines can be important to businesses making long-term capital investments.
- Faster approval of housing and infrastructure projects could also accelerate growth and development in communities where self storage facilities operate, potentially supporting additional demand for storage.
- An important limitation is that self storage projects are not expressly identified among the measure's expedited project categories. CSSA therefore should not suggest that every new or expanded storage facility would automatically qualify for the measure's expedited procedures.
- The broader relevance is the measure's approach to permitting timelines, litigation, and development certainty rather than a guaranteed direct CEQA benefit for individual self storage projects.

Recommendation rationale

Support aligns with CSSA's interest in a more efficient, predictable development and permitting environment. Even though self storage facilities are not expressly identified as an expedited project category, Proposition 45 addresses regulatory delays and litigation procedures affecting major categories of development and infrastructure throughout the communities CSSA members serve.

More information: [California Voter Information Guide](#)