

January 12, 2026

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Jan 12 2026

Hon. Rob Bonta
Attorney General of California
1300 I Street, 17th Floor
Sacramento, CA 95814

INITIATIVE COORDINATOR
ATTORNEY GENERAL'S OFFICE

Attention: Ms. Anabel Renteria, Initiative Coordinator

Re: Request for Title and Summary for Proposed Initiative Constitutional
Amendment (A.G. No. 25-0041) – *Amended Language*

Dear Mr. Bonta:

Pursuant to Section 9002(b) of the California Elections Code, please find attached hereto amendments to the above-captioned initiative measure. I hereby request that a title and summary be prepared for the initiative measure using the attached amended language. The required proponent affidavit(s) pursuant to Sections 9001 and 9608 of the California Elections Code, and a check for \$2,000.00, were included with the original submission.

All inquires or correspondence relative to this initiative should be directed to Kurt R. Oneto at koneto@nmgovlaw.com or 916-446-6752.

Thank you for your assistance.

Sincerely,



Kurt R. Oneto, Proponent

Enclosure: Proposed Initiative Constitutional Amendment – *Amended Language*

Section 1. Title.

This Act shall be known and may be cited as the Retirement and Personal Savings Protection Act of 2026.

Section 2. Findings and Declarations.

(a) California families are paying more for everything and we already pay some of the highest taxes in the country. A recent analysis by a non-partisan research institute concluded that California ranks 3rd worst in the nation in subjecting its population to taxes, when considering individual income taxes, sales taxes, property taxes, and other forms of taxation. California is behind only New Jersey and the District of Columbia in this regard. California also has the highest state sales tax in the nation, the highest top income tax rate, and the highest tax on gasoline, among other indicators.

(b) Every day, Californians are also facing an affordability crisis. Costs for housing, food, electricity, health care, home and auto insurance, and many other life necessities continue to escalate. Californians are struggling economically just to make ends meet on a daily basis. Saving for retirement or a rainy day is even harder. Given the state's extraordinarily high cost of living, a recent analysis suggests that Californians would need \$2.3 million saved up if they want to retire comfortably for 20 years. This is an impossible sum for many Californians.

(c) To make matters worse, politicians and special interest groups want to start taxing retirement holdings, individually-owned assets, and other forms of personal savings—even though the “California Dream” is getting further out of reach for many of us and many Californians struggle to save enough money to retire. Here is just some of what could be at risk:

(1) Teachers, police officers, firefighters, and other dedicated workers earn defined-benefit pension benefits. They could be taxed on the *future* value of their pension benefits and forced to pay the government before they ever collect a dime in pension pay.

(2) Californians who contribute to 401(k) retirement plans and individual retirement accounts (IRAs), and invest in stocks, bonds, mutual funds, and other investments could be taxed on the value of their retirement nest eggs. This could cost workers some of their hard-earning

savings, causing them to put off retirement and leaving them more economically vulnerable later in life.

(d) California already imposes income taxes, capital gains taxes, real property taxes, personal property taxes, corporation taxes, sales and use taxes, real property transaction taxes and many other taxes on its residents. In addition, once Californians begin to access their retirement holdings, sell their individually-owned assets, or realize the growth in other personal savings, they are already subject to the state's income, capital gains, and property taxes. But politicians and special interests should be prohibited from taxing the mere ownership or control of personal property such as retirement holdings, individually-owned assets, and other forms of personal savings that Californians work hard to save.

(e) Retroactive taxes can have the same devastating effects on Californians' retirement planning and personal savings. Fundamental principles of fairness in a democratic society require that individuals, families, and businesses be able to understand and rely upon the tax laws that govern their financial planning so they can make decisions with advance notice of what the rules are.

(f) The ability of Californians to organize and achieve their financial and retirement goals depends on having advance notice of the tax obligations that apply to them. Retroactive changes to tax laws are fundamentally unfair and undermine confidence in government, disrupt retirement and financial planning, and prevent residents and businesses from preparing for the future.

(g) Sacramento politicians and special interests have wasted billions of our tax dollars on inefficient and ineffective programs. But they keep coming back for more of our money with more tax proposals. They don't need to tax our retirement holdings or tax us retroactively based on past conduct, activities, or status—they need to deliver better results with what taxpayers have already given them to spend.

Section 3. Statement of Purpose.

In enacting this Act, the purpose and intent of the People of the State of California is to protect Californians' ability to save for their futures by prohibiting the imposition of new taxes on our personal property, including the ownership or control of retirement holdings, individually-

owned assets, and other forms of personal savings as well as requiring all new taxes to only apply prospectively.

Section 4. Article VIII is added to the California Constitution, to read:

ARTICLE VIII

SECTION 1. Prohibition on Taxing Retirement Holdings, Individually-Owned Assets, and Other Forms of Personal Savings.

(a) No state law and no provision of this Constitution enacted on or after January 1, 2026 may enact, create, impose, or authorize collection of a tax on the ownership or control of retirement holdings, individually-owned assets, and other forms of personal savings, whether held directly or indirectly.

(b) Nothing in this section shall alter or limit the imposition or collection of any tax that was in effect, imposed, and first collected on or before December 31, 2025.

(c) Nothing in this section shall alter or affect the taxation of real property as provided in other provisions of this Constitution.

SEC. 2. Prohibition on Retroactive Taxes.

(a)(1) No state law and no provision of this Constitution enacted on or after January 1, 2026 may enact, create, impose, or authorize collection of a tax that operates retroactively to result in tax liability based on conduct, activities, or a status that occurred or was present prior to the effective date of the state law or constitutional provision.

(2) This subdivision also applies to a tax that is imposed on a taxpayer based upon their residency status on a date prior to the effective date of the tax.

(b) Nothing in subdivision (a) shall alter or limit the imposition or collection of any tax that was in effect, imposed, and first collected on or before December 31, 2025.

(c) Subdivision (a) shall not apply to a tax imposed by a statute passed by the Legislature on or after January 1, 2026 where both of the following apply:

(1) The tax does not apply retroactively for more than 365 days prior to the date the statute takes effect.

(2) At least one of the following conditions exists:

(A) The Governor declares an emergency as a result of a fire, flood, storm, civil disorder, earthquake, volcanic eruption, or actual or imminent attack by a foreign enemy, and the use of the revenues from the tax are expressly limited by the statute to responding to the emergency.

(B) The Governor declares a fiscal emergency pursuant to subdivision (f) of Section 10 of Article IV and the use of the revenues from the tax are expressly limited by the statute to responding to the fiscal emergency.

SEC. 3. Definitions.

For purposes of this article, the following definitions shall apply:

(a) “Retirement holdings, individually-owned assets, and other forms of personal savings” means pensions; retirement accounts including but not limited to 401(k) accounts, 403(b) accounts, and all other individual retirement accounts; mutual funds; and all personal property, whether tangible or intangible, including but not limited to financial assets, investment accounts, business interests, digital assets, intellectual property, personal belongings, and other assets used to produce or collect income or savings for retirement or financial planning.

(b) “Tax” means a tax as defined in subdivision (b) of Section 3 of Article XIII A.

SEC. 4. Application of Article.

This article applies to all statewide initiative measures submitted to the electors on or after January 1, 2026, including measures that appear on the ballot at the same election at which the measure adding this article is approved by the electors.

Section 5. Conflicting Measures.

(a)(1) In the event that this initiative measure appears on the same statewide election ballot as another initiative measure that would establish, enact, create, impose, or authorize collection of a tax on the ownership or control of retirement holdings, individually-owned assets, and other forms of personal savings, or enact a tax that would result in tax liability based on

conduct, activities, or a status that occurred or was present prior to the effective date of the initiative measure, then that other initiative measure shall be deemed to be in conflict with this measure. In the event that this initiative measure receives a greater number of affirmative votes, the provisions of this measure shall prevail in their entirety, and all the provisions of the other measure shall be null and void.

(2) For purposes of this section, “retirement holdings, individually-owned assets, and other forms of personal savings” shall have the same meaning as set forth in Section 4 of this Act (Cal. Const., art. VIII § 3).

(b) If this initiative measure is approved by the voters but superseded in whole or in part by any other conflicting initiative measure approved by the voters at the same election, and such conflicting measure is later held invalid, this measure shall be self-executing and given full force and effect.

Section 6. Severability.

The provisions of this Act are severable. If any portion, section, subdivision, paragraph, clause, subclause, sentence, phrase, word, or application of this Act is for any reason held to be invalid by a decision of any court of competent jurisdiction, that decision shall not affect the validity of the remaining portions of this Act. The People of the State of California hereby declare that they would have adopted this Act and each and every portion, section, subdivision, paragraph, clause, subclause, sentence, phrase, word, and application not declared invalid or unconstitutional without regard to whether any part of this Act or application thereof would be subsequently declared invalid.

Section 7. Effective Date.

This Act shall take effect at the earliest possible date in accordance with Section 10 of Article II of the California Constitution. This Act shall become operative on the same day it takes effect.

Section 8. Liberal Construction.

This Act shall be liberally construed to give effect to its intent and purposes.

Section 9. Legal Defense.

The purpose of this section is to ensure that the people's precious right of initiative cannot be improperly annulled by state politicians who refuse to defend the will of the voters. Therefore, if this Act is approved by the voters of the State of California and thereafter subjected to a legal challenge which attempts to limit the scope or application of this Act in any way, or alleges this Act violates any state or federal law in whole or in part, and both the Governor and Attorney General refuse to defend this Act to the fullest extent possible on behalf of the State of California, then the following actions shall be taken:

(a) Notwithstanding anything to the contrary contained in Chapter 6 (commencing with Section 12500) of Part 2 of Division 3 of Title 2 of the Government Code or any other law, the Attorney General shall appoint independent counsel to faithfully and vigorously defend this Act to the fullest extent possible on behalf of the State of California.

(b) Before appointing or thereafter substituting independent counsel, the Attorney General shall exercise due diligence in determining the qualifications of independent counsel and shall obtain written affirmation from independent counsel that independent counsel will faithfully and vigorously defend this Act to the fullest extent possible. The written affirmation shall be made publicly available immediately upon request.

(c) In order to support the defense of this Act in instances where the Governor and Attorney General fail to do so despite the will of the voters, a continuous appropriation is hereby made from the General Fund to the Controller, without regard to fiscal years, in an amount necessary to cover the costs of retaining independent counsel to faithfully and vigorously defend this Act on behalf of the State of California to the fullest extent possible.