

Ben Granholm Presentation on CA State Gambling Ballot Measures

Ben Granholm of Swing Strategies, a firm specializing in organizing campaigns for and against ballot measures, has represented 76 measures and has a 96% approval rating. Swing Strategies ran their first ballot measure campaign in 1996. A Voter turnout high is about 65%. The last election was 56%. Voter turnout will be in this range this year. What drives turn out controls the voter percentage. A change in redistricting this year pits incumbents against each other which could be interesting.

The process of getting a ballot measure on the ballot and passed is a very expensive and complex endeavor often costing \$100's of millions. In 1912 the first 3 measures were all defeated. Only 7% have passed in the last 100-year time span. The initial filing is easy and costs only \$2,000. Beyond this step, things become very expensive. The drafting and planning of the measure can run \$500K. Measures can only be amended within the first 30 days of submittal. Then there is only 180 days to collect needed signatures. With so many more voters, qualifying needs 1 million valid signatures. Constitutional measures typically require \$15M to \$18M to collect signatures. Forty-seven days are allowed to "clear" signatures. In the November 2022 election there were about 47 cleared for signature; of this only seven measures made it to this year's ballot. The promotion of a measure can be very expensive. In hotly contested measures even \$500M is not unusual.

Another obstacle in getting more conservative measures passed is that the CA Attorney General has the power to name the ballot measure and write the ballot description. This has led to some very deceptive names and descriptions and the AG is very unlikely to surrender this power.

Prop 26 is one of the two big ticket items. We could see \$400 million spent this year on the two gambling measures. This measure would allow in person sports wagering. There is a private right of action in the measure so one competitor can sue another. This benefits the tribes. The tribes can sue the card rooms and force them out of business and create a monopoly. A diverse composition of labor unions, the chamber of commerce and animal rights groups oppose Prop 26.

Prop 27 allows online and mobile sports wagering. A lot of out of state corporations will benefit. It has some benefits to the homeless and nonparticipating tribes. This will be the big fight of the two. It is opposed by the big tribes who support 26. They have \$250 million in contributions already. This could become monopolistic.

Mark Fernwood/James Pezzaglia