

AMENDED IN ASSEMBLY JUNE 1, 2026
AMENDED IN SENATE JANUARY 5, 2026
AMENDED IN SENATE MARCH 24, 2025

SENATE BILL

No. 762

Introduced by Senator Arreguín
(Principal coauthor: Senator Laird)

February 21, 2025

An act to add *and repeal* Chapter 3.13 (commencing with Section 7287.17) to 7287.17), Chapter 3.14 (commencing with Section 7287.18), Chapter 3.15 (commencing with Section 7287.19), Chapter 3.16 (commencing with Section 7287.20), Chapter 3.2 (commencing with Section 7287.24), Chapter 3.21 (commencing with Section 7287.25), Chapter 3.22 (commencing with Section 7287.26), Chapter 3.23 (commencing with Section 7287.27), Chapter 3.24 (commencing with Section 7287.28), Chapter 3.25 (commencing with Section 7287.29), Chapter 3.26 (commencing with Section 7287.30), Chapter 3.27 (commencing with Section 7287.31), and Chapter 3.85 (commencing with Section 7294.7) of Part 1.7 of Division 2 of the Revenue and Taxation Code, relating to taxation.

LEGISLATIVE COUNSEL'S DIGEST

SB 762, as amended, Arreguín. Transactions and use tax: ~~City of Hercules:~~ taxes: various jurisdictions.

Existing law authorizes cities and counties, subject to certain limitations and approval requirements, to levy a transactions and use tax for general or specific purposes in accordance with the procedures and requirements set forth in the Transactions and Use Tax Law,

including a requirement that the combined rate of all taxes that may be imposed in accordance with that law in the jurisdiction not exceed 2%.

~~This bill would authorize the City of Hercules to impose a transactions and use tax for general or specific purposes, at a rate of no more than 1%, that, in combination with other transactions and use taxes, would exceed the above-described combined rate limit of 2%, if certain requirements are met. authorize, until December 31, 2031, various jurisdictions to levy taxes pursuant to the Transactions and Use Tax Law at specified rates, as prescribed. The bill would provide that a transactions and use tax rate imposed pursuant to the bill will not be considered for purposes of the combined rate authorize those taxes to exceed the 2% limit described above.~~

This bill would make legislative findings and declarations as to the necessity of a special statute for the ~~City of Hercules~~: *jurisdictions authorized to impose a tax pursuant to the bill.*

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Chapter 3.13 (commencing with Section 7287.17)
2 is added to Part 1.7 of Division 2 of the Revenue and Taxation
3 Code, to read:

4
5 CHAPTER 3.13. CITY OF HERCULES TRANSACTIONS AND USE
6 TAX

7
8 7287.17. (a) Notwithstanding any other law, the City of
9 Hercules, by ~~ordinance or by citizens' initiative~~, *ordinance*, may
10 impose a transactions and use tax for general or specific purposes
11 at a rate of no more than 1 percent that would, in combination with
12 all taxes imposed in accordance with Part 1.6 (commencing with
13 Section 7251), exceed the limit established in Section 7251.1, if
14 all of the following requirements are met:

15 (1) ~~The City Council~~ *city council* of the City of Hercules adopts
16 an ordinance proposing the transactions and use tax by the
17 applicable voting approval requirement. ~~This paragraph shall not~~
18 ~~apply to a tax imposed by citizens' initiative.~~

19 (2) The ordinance proposing the transactions and use tax is
20 submitted to the electorate and is approved by the voters voting

1 on the ordinance by the applicable voting approval requirement
2 in accordance with the California Constitution.

3 (3) The transactions and use tax conforms to the Transactions
4 and Use Tax Law (Part 1.6 (commencing with Section 7251)),
5 other than Section 7251.1.

6 (b) Notwithstanding Section 7251.1, a transactions and use tax
7 imposed pursuant to subdivision (a) shall not be considered for
8 purposes of the combined rate limitation established by Section
9 7251.1.

10 (c) *If, as of December 31, 2031, an ordinance proposing a*
11 *transactions and use tax has not been approved in the City of*
12 *Hercules as authorized by subdivision (a), this chapter shall be*
13 *repealed.*

14 SEC. 2. *Chapter 3.14 (commencing with Section 7287.18) is*
15 *added to Part 1.7 of Division 2 of the Revenue and Taxation Code,*
16 *to read:*

17
18 CHAPTER 3.14. COUNTY OF SANTA BARBARA TRANSACTIONS
19 AND USE TAX
20

21 7287.18. (a) *Notwithstanding any other law, the County of*
22 *Santa Barbara may impose a transactions and use tax for general*
23 *or specific purposes to support countywide programs at a rate of*
24 *no more than 0.5 percent that would, in combination with all taxes*
25 *imposed in accordance with the Transactions and Use Tax Law*
26 *(Part 1.6 (commencing with Section 7251)), exceed the limit*
27 *established in Section 7251.1, if all of the following requirements*
28 *are met:*

29 (1) *The Santa Barbara County Board of Supervisors adopts an*
30 *ordinance proposing the transactions and use tax by any applicable*
31 *voting approval requirement.*

32 (2) *The ordinance proposing the transactions and use tax is*
33 *submitted to the electorate and is approved by the voters voting*
34 *on the ordinance by the applicable voting approval requirement*
35 *in accordance with Article XIII C of the California Constitution.*

36 (3) *The transactions and use tax conforms to the Transactions*
37 *and Use Tax Law (Part 1.6 (commencing with Section 7251)),*
38 *other than Section 7251.1.*

39 (b) *Notwithstanding Section 7251.1, a transactions and use tax*
40 *rate imposed pursuant to subdivision (a) shall not be considered*

1 for purposes of the combined rate limitation established by Section
2 7251.1.

3 (c) If, as of December 31, 2031, an ordinance proposing a
4 transactions and use tax has not been approved in the County of
5 Santa Barbara as authorized by subdivision (a), this chapter shall
6 be repealed.

7 SEC. 3. Chapter 3.15 (commencing with Section 7287.19) is
8 added to Part 1.7 of Division 2 of the Revenue and Taxation Code,
9 to read:

10

11 CHAPTER 3.15. CITY OF CARPINTERIA TRANSACTIONS AND USE
12 TAX

13

14 7287.19. (a) Notwithstanding any other law, the City of
15 Carpinteria, by ordinance, may impose a transactions and use tax
16 for general or specific purposes at a rate of no more than 0.25
17 percent that would, in combination with all taxes imposed in
18 accordance with Part 1.6 (commencing with Section 7251), exceed
19 the limit established in Section 7251.1, if all of the following
20 requirements are met:

21 (1) The city council of the City of Carpinteria adopts an
22 ordinance proposing the transactions and use tax by the applicable
23 voting approval requirement.

24 (2) The ordinance proposing the transactions and use tax is
25 submitted to the electorate and is approved by the voters voting
26 on the ordinance by the applicable voting approval requirement
27 in accordance with the California Constitution.

28 (3) The transactions and use tax conforms to the Transactions
29 and Use Tax Law (Part 1.6 (commencing with Section 7251)),
30 other than Section 7251.1.

31 (b) Notwithstanding Section 7251.1, a transactions and use tax
32 imposed pursuant to subdivision (a) shall not be considered for
33 purposes of the combined rate limitation established by Section
34 7251.1.

35 (c) If, as of December 31, 2031, an ordinance proposing a
36 transactions and use tax has not been approved in the City of
37 Carpinteria as authorized by subdivision (a), this chapter shall be
38 repealed.

1 *SEC. 4. Chapter 3.16 (commencing with Section 7287.20) is*
2 *added to Part 1.7 of Division 2 of the Revenue and Taxation Code,*
3 *to read:*

4
5 *CHAPTER 3.16. CITY OF SANTA MARIA TRANSACTIONS AND*
6 *USE TAX*

7
8 7287.20. (a) *Notwithstanding any other law, the City of Santa*
9 *Maria, by ordinance, may impose a transactions and use tax for*
10 *general or specific purposes at a rate of no more than 0.5 percent*
11 *that would, in combination with all taxes imposed in accordance*
12 *with Part 1.6 (commencing with Section 7251), exceed the limit*
13 *established in Section 7251.1, if all of the following requirements*
14 *are met:*

15 (1) *The city council of the City of Santa Maria adopts an*
16 *ordinance proposing the transactions and use tax by the applicable*
17 *voting approval requirement.*

18 (2) *The ordinance proposing the transactions and use tax is*
19 *submitted to the electorate and is approved by the voters voting*
20 *on the ordinance by the applicable voting approval requirement*
21 *in accordance with the California Constitution.*

22 (3) *The transactions and use tax conforms to the Transactions*
23 *and Use Tax Law (Part 1.6 (commencing with Section 7251)),*
24 *other than Section 7251.1.*

25 (b) *Notwithstanding Section 7251.1, a transactions and use tax*
26 *imposed pursuant to subdivision (a) shall not be considered for*
27 *purposes of the combined rate limitation established by Section*
28 *7251.1.*

29 (c) *If, as of December 31, 2031, an ordinance proposing a*
30 *transactions and use tax has not been approved in the City of Santa*
31 *Maria as authorized by subdivision (a), this chapter shall be*
32 *repealed.*

33 *SEC. 5. Chapter 3.2 (commencing with Section 7287.24) is*
34 *added to Part 1.7 of Division 2 of the Revenue and Taxation Code,*
35 *to read:*

CHAPTER 3.2. CITY OF PALO ALTO TRANSACTIONS AND USE TAX

7287.24. (a) Notwithstanding any other law, the City of Palo Alto, by ordinance, may impose a transactions and use tax for general or specific purposes at a rate of no more than 0.5 percent that would, in combination with all taxes imposed in accordance with Part 1.6 (commencing with Section 7251), exceed the limit established in Section 7251.1, if all of the following requirements are met:

(1) The city council of the City of Palo Alto adopts an ordinance proposing the transactions and use tax by the applicable voting approval requirement.

(2) The ordinance proposing the transactions and use tax is submitted to the electorate and is approved by the voters voting on the ordinance by the applicable voting approval requirement in accordance with the California Constitution.

(3) The transactions and use tax conforms to the Transactions and Use Tax Law (Part 1.6 (commencing with Section 7251)), other than Section 7251.1.

(b) Notwithstanding Section 7251.1, a transactions and use tax imposed pursuant to subdivision (a) shall not be considered for purposes of the combined rate limitation established by Section 7251.1.

(c) If, as of December 31, 2031, an ordinance proposing a transactions and use tax has not been approved in the City of Palo Alto as authorized by subdivision (a), this chapter shall be repealed.

SEC. 6. Chapter 3.21 (commencing with Section 7287.25) is added to Part 1.7 of Division 2 of the Revenue and Taxation Code, to read:

CHAPTER 3.21. CITY OF LOS ALTOS TRANSACTIONS AND USE TAX

7287.25. (a) Notwithstanding any other law, the City of Los Altos, by ordinance, may impose a transactions and use tax for general or specific purposes at a rate of no more than 1 percent that would, in combination with all taxes imposed in accordance

1 with Part 1.6 (commencing with Section 7251), exceed the limit
2 established in Section 7251.1, if all of the following requirements
3 are met:

4 (1) The city council of the City of Los Altos adopts an ordinance
5 proposing the transactions and use tax by the applicable voting
6 approval requirement.

7 (2) The ordinance proposing the transactions and use tax is
8 submitted to the electorate and is approved by the voters voting
9 on the ordinance by the applicable voting approval requirement
10 in accordance with the California Constitution.

11 (3) The transactions and use tax conforms to the Transactions
12 and Use Tax Law (Part 1.6 (commencing with Section 7251)),
13 other than Section 7251.1.

14 (b) Notwithstanding Section 7251.1, a transactions and use tax
15 imposed pursuant to subdivision (a) shall not be considered for
16 purposes of the combined rate limitation established by Section
17 7251.1.

18 (c) If, as of December 31, 2031, an ordinance proposing a
19 transactions and use tax has not been approved in the City of Los
20 Altos as authorized by subdivision (a), this chapter shall be
21 repealed.

22 SEC. 7. Chapter 3.22 (commencing with Section 7287.26) is
23 added to Part 1.7 of Division 2 of the Revenue and Taxation Code,
24 to read:

25
26 CHAPTER 3.22. CITY OF SANTA ROSA TRANSACTIONS AND USE
27 TAX

28
29 7287.26. (a) Notwithstanding any other law, the City of Santa
30 Rosa, by ordinance, may impose a transactions and use tax for
31 general or specific purposes at a rate of no more than 0.5 percent
32 that would, in combination with all taxes imposed in accordance
33 with Part 1.6 (commencing with Section 7251), exceed the limit
34 established in Section 7251.1, if all of the following requirements
35 are met:

36 (1) The city council of the City of Santa Rosa adopts an
37 ordinance proposing the transactions and use tax by the applicable
38 voting approval requirement.

39 (2) The ordinance proposing the transactions and use tax is
40 submitted to the electorate and is approved by the voters voting

1 *on the ordinance by the applicable voting approval requirement*
 2 *in accordance with the California Constitution.*

3 *(3) The transactions and use tax conforms to the Transactions*
 4 *and Use Tax Law (Part 1.6 (commencing with Section 7251)),*
 5 *other than Section 7251.1.*

6 *(b) Notwithstanding Section 7251.1, a transactions and use tax*
 7 *imposed pursuant to subdivision (a) shall not be considered for*
 8 *purposes of the combined rate limitation established by Section*
 9 *7251.1.*

10 *(c) If, as of December 31, 2031, an ordinance proposing a*
 11 *transactions and use tax has not been approved in the City of Santa*
 12 *Rosa as authorized by subdivision (a), this chapter shall be*
 13 *repealed.*

14 *SEC. 8. Chapter 3.23 (commencing with Section 7287.27) is*
 15 *added to Part 1.7 of Division 2 of the Revenue and Taxation Code,*
 16 *to read:*

17
 18 *CHAPTER 3.23. CITY OF ROHNERT PARK TRANSACTIONS AND*
 19 *USE TAX*
 20

21 *7287.27. (a) Notwithstanding any other law, the City of*
 22 *Rohnert Park, by ordinance, may impose a transactions and use*
 23 *tax for general or specific purposes at a rate of no more than 0.75*
 24 *percent that would, in combination with all taxes imposed in*
 25 *accordance with Part 1.6 (commencing with Section 7251), exceed*
 26 *the limit established in Section 7251.1, if all of the following*
 27 *requirements are met:*

28 *(1) The city council of the City of Rohnert Park adopts an*
 29 *ordinance proposing the transactions and use tax by the applicable*
 30 *voting approval requirement.*

31 *(2) The ordinance proposing the transactions and use tax is*
 32 *submitted to the electorate and is approved by the voters voting*
 33 *on the ordinance by the applicable voting approval requirement*
 34 *in accordance with the California Constitution.*

35 *(3) The transactions and use tax conforms to the Transactions*
 36 *and Use Tax Law (Part 1.6 (commencing with Section 7251)),*
 37 *other than Section 7251.1.*

38 *(b) Notwithstanding Section 7251.1, a transactions and use tax*
 39 *imposed pursuant to subdivision (a) shall not be considered for*

1 *purposes of the combined rate limitation established by Section*
2 *7251.1.*

3 *(c) If, as of December 31, 2031, an ordinance proposing a*
4 *transactions and use tax has not been approved in the City of*
5 *Rohnert Park as authorized by subdivision (a), this chapter shall*
6 *be repealed.*

7 *SEC. 9. Chapter 3.24 (commencing with Section 7287.28) is*
8 *added to Part 1.7 of Division 2 of the Revenue and Taxation Code,*
9 *to read:*

10

11 *CHAPTER 3.24. TOWN OF LOS GATOS TRANSACTIONS AND USE*
12 *TAX*

13

14 *7287.28. (a) Notwithstanding any other law, the Town of Los*
15 *Gatos, by ordinance, may impose a transactions and use tax for*
16 *general or specific purposes at a rate of no more than 0.5 percent*
17 *that would, in combination with all taxes imposed in accordance*
18 *with Part 1.6 (commencing with Section 7251), exceed the limit*
19 *established in Section 7251.1, if all of the following requirements*
20 *are met:*

21 *(1) The town council of the Town of Los Gatos adopts an*
22 *ordinance proposing the transactions and use tax by the applicable*
23 *voting approval requirement.*

24 *(2) The ordinance proposing the transactions and use tax is*
25 *submitted to the electorate and is approved by the voters voting*
26 *on the ordinance by the applicable voting approval requirement*
27 *in accordance with the California Constitution.*

28 *(3) The transactions and use tax conforms to the Transactions*
29 *and Use Tax Law (Part 1.6 (commencing with Section 7251)),*
30 *other than Section 7251.1.*

31 *(b) Notwithstanding Section 7251.1, a transactions and use tax*
32 *imposed pursuant to subdivision (a) shall not be considered for*
33 *purposes of the combined rate limitation established by Section*
34 *7251.1.*

35 *(c) If, as of December 31, 2031, an ordinance proposing a*
36 *transactions and use tax has not been approved in the Town of*
37 *Los Gatos as authorized by subdivision (a), this chapter shall be*
38 *repealed.*

1 SEC. 10. Chapter 3.25 (commencing with Section 7287.29) is
 2 added to Part 1.7 of Division 2 of the Revenue and Taxation Code,
 3 to read:

4
 5 CHAPTER 3.25. CITY OF PACIFICA TRANSACTIONS AND USE
 6 TAX
 7

8 7287.29. (a) Notwithstanding any other law, the City of
 9 Pacifica, by ordinance, may impose a transactions and use tax for
 10 general or specific purposes at a rate of no more than 1 percent
 11 that would, in combination with all taxes imposed in accordance
 12 with Part 1.6 (commencing with Section 7251), exceed the limit
 13 established in Section 7251.1, if all of the following requirements
 14 are met:

15 (1) The city council of the City of Pacifica adopts an ordinance
 16 proposing the transactions and use tax by the applicable voting
 17 approval requirement.

18 (2) The ordinance proposing the transactions and use tax is
 19 submitted to the electorate and is approved by the voters voting
 20 on the ordinance by the applicable voting approval requirement
 21 in accordance with the California Constitution.

22 (3) The transactions and use tax conforms to the Transactions
 23 and Use Tax Law (Part 1.6 (commencing with Section 7251)),
 24 other than Section 7251.1.

25 (b) Notwithstanding Section 7251.1, a transactions and use tax
 26 imposed pursuant to subdivision (a) shall not be considered for
 27 purposes of the combined rate limitation established by Section
 28 7251.1.

29 (c) If, as of December 31, 2031, an ordinance proposing a
 30 transactions and use tax has not been approved in the City of
 31 Pacifica as authorized by subdivision (a), this chapter shall be
 32 repealed.

33 SEC. 11. Chapter 3.26 (commencing with Section 7287.30) is
 34 added to Part 1.7 of Division 2 of the Revenue and Taxation Code,
 35 to read:

1
2 CHAPTER 3.26. CITY OF SAN GABRIEL TRANSACTIONS AND USE
3 TAX
4

5 7287.30. (a) Notwithstanding any other law, the City of San
6 Gabriel, by ordinance, may impose a transactions and use tax for
7 general or specific purposes at a rate of no more than 1 percent
8 that would, in combination with all taxes imposed in accordance
9 with Part 1.6 (commencing with Section 7251), exceed the limit
10 established in Section 7251.1, if all of the following requirements
11 are met:

12 (1) The city council of the City of San Gabriel adopts an
13 ordinance proposing the transactions and use tax by the applicable
14 voting approval requirement.

15 (2) The ordinance proposing the transactions and use tax is
16 submitted to the electorate and is approved by the voters voting
17 on the ordinance by the applicable voting approval requirement
18 in accordance with the California Constitution.

19 (3) The transactions and use tax conforms to the Transactions
20 and Use Tax Law (Part 1.6 (commencing with Section 7251)),
21 other than Section 7251.1.

22 (b) Notwithstanding Section 7251.1, a transactions and use tax
23 imposed pursuant to subdivision (a) shall not be considered for
24 purposes of the combined rate limitation established by Section
25 7251.1.

26 (c) If, as of December 31, 2031, an ordinance proposing a
27 transactions and use tax has not been approved in the City of San
28 Gabriel as authorized by subdivision (a), this chapter shall be
29 repealed.

30 SEC. 12. Chapter 3.27 (commencing with Section 7287.31) is
31 added to Part 1.7 of Division 2 of the Revenue and Taxation Code,
32 to read:

33
34 CHAPTER 3.27. CITY OF SAN PABLO TRANSACTIONS AND USE
35 TAX
36

37 7287.31. (a) Notwithstanding any other law, the City of San
38 Pablo, by ordinance, may impose a transactions and use tax for
39 general or specific purposes at a rate of no more than 0.5 percent
40 that would, in combination with all taxes imposed in accordance

1 with Part 1.6 (commencing with Section 7251), exceed the limit
 2 established in Section 7251.1, if all of the following requirements
 3 are met:

4 (1) The city council of the City of San Pablo adopts an ordinance
 5 proposing the transactions and use tax by the applicable voting
 6 approval requirement.

7 (2) The ordinance proposing the transactions and use tax is
 8 submitted to the electorate and is approved by the voters voting
 9 on the ordinance by the applicable voting approval requirement
 10 in accordance with the California Constitution.

11 (3) The transactions and use tax conforms to the Transactions
 12 and Use Tax Law (Part 1.6 (commencing with Section 7251)),
 13 other than Section 7251.1.

14 (b) Notwithstanding Section 7251.1, a transactions and use tax
 15 imposed pursuant to subdivision (a) shall not be considered for
 16 purposes of the combined rate limitation established by Section
 17 7251.1.

18 (c) If, as of December 31, 2031, an ordinance proposing a
 19 transactions and use tax has not been approved in the City of San
 20 Pablo as authorized by subdivision (a), this chapter shall be
 21 repealed.

22 SEC. 13. Chapter 3.85 (commencing with Section 7294.7) is
 23 added to Part 1.7 of Division 2 of the Revenue and Taxation Code,
 24 to read:

25
 26 CHAPTER 3.85. COUNTY OF SANTA CRUZ TRANSACTIONS AND
 27 USE TAX
 28

29 7294.7. (a) Notwithstanding any other law, the County of
 30 Santa Cruz may impose a transactions and use tax for general or
 31 specific purposes to support countywide programs at a rate of no
 32 more than 0.5 percent that would, in combination with all taxes
 33 imposed in accordance with the Transactions and Use Tax Law
 34 (Part 1.6 (commencing with Section 7251)), exceed the limit
 35 established in Section 7251.1, if all of the following requirements
 36 are met:

37 (1) The Santa Cruz County Board of Supervisors adopts an
 38 ordinance proposing the transactions and use tax by any applicable
 39 voting approval requirement.

1 (2) *The ordinance proposing the transactions and use tax is*
2 *submitted to the electorate and is approved by the voters voting*
3 *on the ordinance by the applicable voting approval requirement*
4 *in accordance with Article XIII C of the California Constitution.*

5 (3) *The transactions and use tax conforms to the Transactions*
6 *and Use Tax Law (Part 1.6 (commencing with Section 7251)),*
7 *other than Section 7251.1.*

8 (b) *Notwithstanding Section 7251.1, a transactions and use tax*
9 *rate imposed pursuant to subdivision (a) shall not be considered*
10 *for purposes of the combined rate limitation established by Section*
11 *7251.1.*

12 (c) *If, as of December 31, 2030, an ordinance proposing a*
13 *transactions and use tax has not been approved in the County of*
14 *Santa Cruz as authorized by subdivision (a), this chapter shall be*
15 *repealed.*

16 ~~SEC. 2.~~

17 *SEC. 14.* The Legislature finds and declares that a special
18 statute is necessary and that a general statute cannot be made
19 applicable within the meaning of Section 16 of Article IV of the
20 California Constitution because of the unique fiscal ~~needs of the~~
21 ~~City of Hercules.~~ *circumstances of the jurisdictions authorized to*
22 *impose a tax pursuant to this act.*