

March 3, 2026

The Honorable Jesse Arreguin  
California State Senate District 07  
1021 O Street, Suite 6710  
Sacramento, CA 95814



**RE: SB 762 (ARREGUÍN): TRANSACTIONS AND USE TAX - REQUEST FOR INCLUSION – CITY OF SAN PABLO**

Dear Senator Arreguín:

On behalf of the City of San Pablo, I write to respectfully request the City’s inclusion in SB 762 (Arreguín) legislation, and to commend your leadership in advancing a thoughtful and locally responsive approach to addressing the structural fiscal challenges facing California cities and counties.

SB 762 provides a narrowly tailored and constitutionally sound framework that allows select local governments to seek voter approval for a transaction and use tax that may exceed the existing statutory rate limitation. By preserving voter control, transparency, and accountability, the bill appropriately balances statewide tax policy considerations with the practical realities confronting local agencies. Your leadership on this issue reflects a clear understanding that fiscal sustainability for cities requires flexibility paired with direct voter authorization, not one-size-fits-all constraints.

The City of San Pablo exemplifies these challenges. Like many communities in the Contra Costa County region, San Pablo faces increasing costs to maintain essential municipal services and public assets while striving to preserve long-term fiscal stability. Core functions such as economic development, public safety, emergency medical services, street maintenance, youth and recreation services, and senior programs require reliable and sustainable funding sources. Despite prudent fiscal management and ongoing efforts to control annual expenditures, existing annual general fund revenues are insufficient to fully address current and projected service and infrastructure needs.

Due to a recent long-term financial forecast on the City’s general fund revenue capacity, the San Pablo City Council adopted Resolution No. #025-035 on March 3, 2025 which authorized the City Manager to explore the feasibility of a half-cent (0.50%) sales tax funding measure for placement on the November 2026 ballot.

Honorable Jesse Arreguin (D-7<sup>th</sup>)

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However, to proceed with funding feasibility, San Pablo seeks legislative clarification to confirm that the Contra Costa County's region funding efforts planned for 2026 do not impede our own City's funding initiative which operates in close alignment and does not inadvertently cancel each other out.

SB 762 does not mandate or impose a tax increase. Rather, it restores local discretion by allowing eligible local governments to submit a transaction and use tax proposal to their voters for consideration, subject to all applicable constitutional thresholds. Any decision to approve or reject such a measure would rest solely with our local electorate. This voter-centered approach is consistent with long-standing legislative principles recognizing that local fiscal challenges are best addressed through locally authorized revenue solutions.

If approved by local voters, any future sales tax revenue proposed by the City, facilitated by the SB 762 legislation, would greatly protect and preserve local funding for essential City programs and services into the near future, including but not limited to: community safety, illegal dumping prevention, homeless outreach services, increased rental protections or stabilization programs, youth scholarship programs, and funding for Senior Daily Meal programs in our community.

**The City of San Pablo appreciates your leadership in advancing SB 762 and respectfully requests inclusion in the bill. Following receipt of this letter, our San Pablo City Council will provide a more formal request to be included in the SB 762 legislation at its upcoming regular meeting on March 16, 2026.**

We look forward to continuing to work with your office to ensure that local governments have the tools necessary to remain fiscally stable, accountable, and responsive to their communities. Thank you for your continued commitment to local government fiscal sustainability and local voter-driven decision-making.

For any concerns or questions regarding this matter, please contact my office directly at (510) 215-3016 , or via email at: [MattR@sanpabloca.gov](mailto:MattR@sanpabloca.gov)

Sincerely:



Matt Rodriguez, City Manager  
City of San Pablo

cc: State Assembly Member Buffy Wicks (D-14<sup>th</sup>)  
San Pablo Mayor and City Council