

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:

1
2 *CHAPTER 3.2. CITY OF PALO ALTO TRANSACTIONS AND USE*
3 *TAX*
4

5 7287.24. (a) Notwithstanding any other law, the City of Palo
6 Alto, by ordinance, may impose a transactions and use tax for
7 general or specific purposes at a rate of no more than 0.5 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 Palo Alto adopts an ordinance
13 proposing the transactions and use tax by the applicable voting
14 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 Palo
28 Alto as authorized by subdivision (a), this chapter shall be
29 repealed.

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

33
34 *CHAPTER 3.21. CITY OF LOS ALTOS TRANSACTIONS AND USE*
35 *TAX*
36

37 7287.25. (a) Notwithstanding any other law, the City of Los
38 Altos, by ordinance, may impose a transactions and use tax for
39 general or specific purposes at a rate of no more than 1 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 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.*