



January 21, 2026

**League of California Cities (CalCities)
Revenue and Taxation Committee**

1400 K Street, Suite 400
Sacramento, CA 95814

Subject: Formal Opposition to Consideration of City Managers' Sales Tax Working Group Proposal — January 22, 2026 Revenue and Taxation Committee Meeting

Members of the Revenue and Taxation Committee:

On behalf of the undersigned cities, we formally object to the Revenue and Taxation Committee considering or taking action on the City Managers' Sales Tax Working Group's proposed recommendations at the forthcoming January 22, 2026, policy committee meeting in Sacramento. We respectfully but firmly request that the Committee decline to advance this item. At a minimum, should the Committee choose to proceed, the item must be continued to a future meeting to allow for appropriate review, engagement, and deliberation.

This proposal represents a fundamental restructuring of the Bradley-Burns 1 % local sales and use tax allocation for e-commerce transactions, specifically through the imposition of a mandatory 50/50 revenue split between point-of-sale jurisdictions and destination jurisdictions. Advancing a proposal of this magnitude at the first committee meeting of the year—when approximately one-third of the Committee consists of newly appointed members—is procedurally inappropriate and inconsistent with sound governance and responsible policymaking.

Beyond the procedural deficiencies, the undersigned cities are writing in unequivocal opposition to the substance of the proposal itself. We represent cities that will be materially and disproportionately harmed by the potential decision to support changes to the allocation of Bradley-Burns local sales tax revenues related to e-commerce. These cities planned, invested, and made long-term infrastructure and service commitments in reliance on the existing statutory framework. Redirecting locally generated revenues after those commitments have been made is not an incremental policy adjustment; it is a structural reallocation with immediate and lasting fiscal consequences.

The League of California Cities has long positioned itself as the defender of local control and the collective voice of California's cities. Supporting a policy that shifts locally generated revenues from one city to another does not strengthen cities as a whole. It places cities in direct competition with one another and undermines the very principle of local control the League exists to protect.

The proposed policy change would upend a framework upon which cities relied in good faith. Bradley-Burns revenues tied to e-commerce fund core municipal services, including police and fire protection, road maintenance, traffic mitigation, and neighborhood programs that directly address the impacts of goods movement and logistics operations. Losing even a portion of this revenue creates immediate service-level risks and long-term budget instability.

The proposal also establishes a dangerous precedent. If one category of locally generated revenue can be redistributed today, there is nothing to prevent other revenue sources from being targeted

tomorrow. This level of uncertainty makes responsible long-term fiscal planning nearly impossible and erodes trust in the stability and predictability of California’s local revenue system.

For these reasons, we urge the Revenue and Taxation Committee to decline further consideration of this proposal. If the Committee determines that discussion must continue, the item should be continued to a future meeting to allow for direct, meaningful engagement with the cities most affected and to ensure any discussion is informed, deliberate, and equitable.

Protecting local control requires respecting the decisions cities made within the rules that existed at the time—not retroactively changing those rules in ways that destabilize communities. We urge the League to reaffirm its commitment to unity, fairness, and local authority, and to pursue solutions that strengthen California’s cities without pitting them against one another.

Sincerely,

DocuSigned by:

Brian Mohan

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, Brian Mohan – City Manager, City of Moreno Valley

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, Midori Lichtwardt – City Manager, City of Tracy

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, Gustavo Romo – Interim City Manager, City of Beaumont

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, Stephen Salvatore – City Manager, City of Lathrop

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Brian Saeki

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, Brian Saeki – City Administrator, City of Vernon