



CITY OF LA VERNE CITY HALL

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March 11, 2026

California State Assembly
Committee on Revenue and Taxation
1020 N Street, Room 167A
Sacramento, CA 95814

RE: Opposition to AB 1768 (Gipson) – Transactions and Use Taxes: County of Los Angeles

Dear Chair and Members of the Committee:

On behalf of the City of La Verne, I write to respectfully express our opposition to AB 1768, which would authorize Los Angeles County to exceed the statutory cap on local transactions and use taxes.

The City of La Verne recognizes the importance of maintaining strong healthcare and public health services throughout Los Angeles County. However, the approach contemplated by AB 1768 raises significant concerns regarding the preservation of local fiscal authority and the long-term ability of cities to fund essential municipal services.

Cities rely on the limited flexibility provided under existing law to pursue locally controlled revenue measures approved by voters. These locally generated funds are essential to sustaining services that residents rely on daily, including public safety, infrastructure maintenance, parks and recreation programs, and community services. By authorizing Los Angeles County to exceed the existing sales tax cap, AB 1768 risks crowding out the remaining tax capacity available to cities and limiting our ability to pursue future voter-approved measures necessary to maintain service levels and address emerging community needs.

Additionally, residents and businesses throughout Los Angeles County already face one of the highest cumulative sales tax burdens in the state. Further increasing the countywide sales tax may reduce consumer spending, place small and independently owned businesses at a competitive disadvantage, and weaken local economic vitality. Layering additional countywide taxation onto existing local taxes may also diminish voter support for locally controlled funding initiatives that cities depend upon to maintain essential services and invest in infrastructure.

The City is also concerned that revenues generated within cities would not necessarily be returned to those communities in proportion to their contribution. The proposed countywide measure relies on centralized allocation decisions, limiting the likelihood that cities such as

La Verne would receive direct or measurable benefits from the additional tax burden placed on our residents and businesses.

Finally, the statutory cap on local transactions and use taxes exists to maintain a balance between the taxing authority of multiple jurisdictions and to protect taxpayers from overlapping tax increases. Authorizing exemptions to this cap for individual counties risks establishing a precedent that could undermine the effectiveness of this safeguard and erode the fiscal balance intended under state law.

For these reasons, the City of La Verne respectfully urges the Committee to oppose AB 1768. While we acknowledge the challenges facing healthcare funding, solutions should not come at the expense of local fiscal sustainability and the ability of cities to serve their residents.

Thank you for your consideration of the City's concerns.

Sincerely,

A handwritten signature in black ink that reads "Tim Hepburn". The signature is written in a cursive, flowing style.

Tim Hepburn
Mayor

CC: La Verne City Council