



DEPARTMENT OF FINANCE

February 23, 2026

TO: Honorable Mayor and City Council

FROM: Karin Schnaider
Director of Finance 

SUBJECT: Discussions on Los Angeles County Essential Services Restoration Act, AB 1768 (BRYAN) – Transactions and Use Taxes for the County of Los Angeles, and a potential City of Pasadena ¼ cent sales tax increase

At the February 18, 2026, meeting of the Legislative Policy Committee, the Committee reviewed and discussed AB 1768 (BRYAN) – Transactions and Use Taxes for the County of Los Angeles and the potential City of Pasadena ¼ cent sales tax increase. Inquiries made at the meeting and their responses are listed below:

- o How does the City’s tax rate compare to other cities in the County?

City	Rate	County	Jurisdiction
Azusa	10.75%	Los Angeles	City
Glendora	10.75%	Los Angeles	City
Inwindale	10.75%	Los Angeles	City
Arcadia	10.50%	Los Angeles	City
Burbank	10.50%	Los Angeles	City
Duarte	10.50%	Los Angeles	City
Glendale	10.50%	Los Angeles	City
Long Beach	10.50%	Los Angeles	City
Monrovia	10.50%	Los Angeles	City
Pasadena	10.50%	Los Angeles	City
Sierra Madre	10.50%	Los Angeles	City
South Pasadena	10.50%	Los Angeles	City
Los Angeles	9.75%	Los Angeles	City
Los Angeles County	9.75%	Los Angeles	County
Rosemead	9.75%	Los Angeles	City
San Marino	9.75%	Los Angeles	City

- See attached table for all cities in Los Angeles County.

- What is the estimated revenue generation of a ¼ cent tax increase?
 - The estimated revenue is \$11 million annually.
- Has staff considered this ¼ cent tax increase?
 - Staff are not currently working on a new sales tax measure. Staff has provided information to the City Council on various revenue enhancements, including the ¼ cent sales tax, during past budget development meetings.
- How much will Pasadena get from the 1% earmark from the Los Angeles County Essential Services Restoration Act?
 - Ballot Measure: *“enacting a ½ percent (0.5%) general sales tax for 5 years, generating approximately \$1 billion annually”*
 - Section 4.i: *“One percent (1%) to provide financial support to the City of Pasadena Public Health Department and the City of Long Beach Department of Health and Human Services to safeguard their public services, to be divided between the cities proportionately based on what each city spent on core public health services over the past five fiscal years.”*
 - 1% of \$1 billion is \$10 million
 - Staff estimates that the ratio of 1% would be split 2/3 Long Beach and 1/3 Pasadena. This will need to be confirmed.
- What is the estimated value of a ½ cent sales tax measure generated for the County from Pasadena?
 - The estimated revenue generated by a ½ cent sales tax measure in Pasadena is \$22 million.

- What is the City’s 10.5% sales tax comprised of?

Pasadena’s 10.5% Sales & Use Tax:		
<u>Component</u>	<u>Rate</u>	<u>City Revenue Received in FY 2025</u>
State Base Sales Tax	6.00%	
County Tax (Los Angeles)	0.25%	
City Tax (Bradley Burns)	1.00%	47,269,690
District Taxes (Total)	3.25%	
* Measure R (Transpt), sunset 2039	0.50%	2,235,677
* Measure M (Transpt, roads, transit)	0.50%	2,532,947
* Measure A (Homeless Services, replaced Measure H 0.25%)^	0.50%	809,532
* Prop A (transit)	0.50%	3,594,389
* Prop C (transit)	0.50%	2,981,455
* Pasadena (Measure I)	0.75%	33,195,391

^Note: FY 2025 reflects Measure H (1/4 cent sales tax); the City did not receive Measure A in FY 2025.

- Staff has not done an analysis to compare existing County sales tax measures and their funding allocations to Pasadena as it relates to the proposed tax measure.
- Will AB 1768 hold the City harmless to any increase?
 - This information is not known at this time.
- Did the County poll for this measure?
 - Staff are unaware of any County polling for this measure.

Attachments: (1)
 Attachment A – Los Angeles County - City Tax Rate Table

Attachment A

City	Rate	County	Jurisdiction
Lancaster	11.25%	Los Angeles	City
Palmdale	11.25%	Los Angeles	City
Azusa	10.75%	Los Angeles	City
Compton	10.75%	Los Angeles	City
Culver City	10.75%	Los Angeles	City
Glendora	10.75%	Los Angeles	City
Irwindale	10.75%	Los Angeles	City
Lynwood	10.75%	Los Angeles	City
Pico Rivera	10.75%	Los Angeles	City
Santa Fe Springs	10.75%	Los Angeles	City
Santa Monica	10.75%	Los Angeles	City
South El Monte	10.75%	Los Angeles	City
South Gate	10.75%	Los Angeles	City
Alhambra	10.50%	Los Angeles	City
Arcadia	10.50%	Los Angeles	City
Artesia	10.50%	Los Angeles	City
Baldwin Park	10.50%	Los Angeles	City
Bell Gardens	10.50%	Los Angeles	City
Bellflower	10.50%	Los Angeles	City
Burbank	10.50%	Los Angeles	City
Carson	10.50%	Los Angeles	City
City of Commerce	10.50%	Los Angeles	City
Covina	10.50%	Los Angeles	City
Cudahy	10.50%	Los Angeles	City
Downey	10.50%	Los Angeles	City
Duarte	10.50%	Los Angeles	City
El Monte	10.50%	Los Angeles	City
Gardena	10.50%	Los Angeles	City
Glendale	10.50%	Los Angeles	City
Hawaiian Gardens	10.50%	Los Angeles	City
Hawthorne	10.50%	Los Angeles	City
Huntington Park	10.50%	Los Angeles	City
La Cañada Flintridge	10.50%	Los Angeles	City
La Verne	10.50%	Los Angeles	City
Lakewood	10.50%	Los Angeles	City
Lawndale	10.50%	Los Angeles	City
Lomita	10.50%	Los Angeles	City
Long Beach	10.50%	Los Angeles	City
Monrovia	10.50%	Los Angeles	City

Montebello	10.50%	Los Angeles	City
Monterey Park	10.50%	Los Angeles	City
Norwalk	10.50%	Los Angeles	City
Paramount	10.50%	Los Angeles	City
Pasadena	10.50%	Los Angeles	City
Pomona	10.50%	Los Angeles	City
San Fernando	10.50%	Los Angeles	City
San Gabriel	10.50%	Los Angeles	City
Sierra Madre	10.50%	Los Angeles	City
Signal Hill	10.50%	Los Angeles	City
South Pasadena	10.50%	Los Angeles	City
Vernon	10.50%	Los Angeles	City
West Hollywood	10.50%	Los Angeles	City
Whittier	10.50%	Los Angeles	City
Avalon	10.25%	Los Angeles	City
Inglewood	10.25%	Los Angeles	City
La Puente	10.25%	Los Angeles	City
Malibu	10.25%	Los Angeles	City
Manhattan Beach	10.25%	Los Angeles	City
Torrance	10.25%	Los Angeles	City
Agoura Hills	9.75%	Los Angeles	City
Bell	9.75%	Los Angeles	City
Beverly Hills	9.75%	Los Angeles	City
Bradbury	9.75%	Los Angeles	City
Calabasas	9.75%	Los Angeles	City
Cerritos	9.75%	Los Angeles	City
City of Industry	9.75%	Los Angeles	City
Claremont	9.75%	Los Angeles	City
Diamond Bar	9.75%	Los Angeles	City
El Segundo	9.75%	Los Angeles	City
Hermosa Beach	9.75%	Los Angeles	City
Hidden Hills	9.75%	Los Angeles	City
La Habra Heights	9.75%	Los Angeles	City
La Mirada	9.75%	Los Angeles	City
Los Angeles	9.75%	Los Angeles	City
Los Angeles County	9.75%	Los Angeles	County
Maywood	9.75%	Los Angeles	City
Palos Verdes Estates	9.75%	Los Angeles	City
Rancho Palos Verdes	9.75%	Los Angeles	City
Redondo Beach	9.75%	Los Angeles	City

Rolling Hills	9.75%	Los Angeles	City
Rolling Hills Estates	9.75%	Los Angeles	City
Rosemead	9.75%	Los Angeles	City
San Dimas	9.75%	Los Angeles	City
San Marino	9.75%	Los Angeles	City
Santa Clarita	9.75%	Los Angeles	City
Temple City	9.75%	Los Angeles	City
Walnut	9.75%	Los Angeles	City
West Covina	9.75%	Los Angeles	City
Westlake Village	9.75%	Los Angeles	City



AB-1768 Transactions and use taxes: County of Los Angeles. (2025-2026)

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CALIFORNIA LEGISLATURE— 2025–2026 REGULAR SESSION

ASSEMBLY BILL

NO. 1768

Introduced by Assembly Member Bryan

February 09, 2026

An act to add and repeal 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

AB 1768, as introduced, Bryan. Transactions and use taxes: County of Los Angeles.

Existing law authorizes various local governmental entities, 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 any county not exceed 2%.

This bill would authorize, until December 31, 2031, the County of Los Angeles, by an ordinance adopted by the county, to levy a tax pursuant to the Transactions and Use Tax Law at a rate not to exceed 0.5% for general and special purposes, subject to voter approval, as specified. The bill would 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 County of Los Angeles.

Vote: majority Appropriation: no Fiscal Committee: no Local Program: no

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. Chapter 3.85 (commencing with Section 7294.7) is added to Part 1.7 of Division 2 of the Revenue and Taxation Code, to read:

CHAPTER 3.85. County of Los Angeles Transactions and Use Tax

7294.7. (a) Notwithstanding any other law, the County of Los Angeles may impose a transactions and use tax for general or specific purposes to support countywide programs at a rate of no more than 0.5 percent that would, in combination with all taxes imposed in accordance with the Transactions and Use Tax Law (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 county adopts an ordinance proposing the transactions and use tax by any 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 Article XIII C of 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 rate 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 County of Los Angeles as authorized by subdivision (a), this chapter shall be repealed.

SEC. 2. The Legislature finds and declares that a special statute is necessary and that a general statute cannot be made applicable within the meaning of Section 16 of Article IV of the California Constitution because of the unique fiscal pressures being experienced in the County of Los Angeles in providing essential programs that have been caused, at least in part, by federal funding cuts.