October 6, 2026

The Honorable Steve Choi
Senate Minority Leader, 37th District
State Capitol
Sacramento, CA 95814

Subject: Senate Bill 1, The Tax Relief & Spending Cap Act – Support

Dear Senator Choi,

The California Chamber of Commerce is writing in strong support of Senate Bill 1. At its heart, SB 1 puts power back where it belongs: with the families, workers, and employers who live and work in California. It gives businesses the stability to hire, invest, and grow in the Golden State, and it gives every Californian a real say in what their government asks of them.

Voters, not agencies, should decide new costs. Prop 13 was meant to protect Californians from tax increases they did not approve, but administrative fees and local parcel surcharges now work around it. When a new charge arrives without a vote, families and small business owners are left to absorb it with no voice in the decision. SB 1 requires direct two-thirds voter approval for any new tax, fee, or surcharge on property owners or businesses. For the 4.8 million businesses in this state, that means a predictable cost environment. For your constituents, it means the decision stays with them.

Stability helps with reducing housing costs, too. Businesses pass added costs into prices, and property costs pass through to rents and home prices. By freezing current state tax rates and stopping new surcharges, SB 1 helps the more than 15 million Californians, about 5.8 million households, who face affordability hardship. That is relief felt at the kitchen table, lifting the daily weight of financial anxiety so families, individuals, and local businesses alike can focus on the future rather than just trying to survive in the present.

Surpluses should pay down debt before funding new programs. Beginning in fiscal year 2027-28, SB 1 directs General Fund surplus above the Gann Limit allocation toward the state's Title XII federal unemployment debt and other unfunded liabilities. Retiring that debt first protects local employers from the tax increases it triggers, so they can keep their doors open

and their people on payroll. For your constituents, that means steady jobs, a paycheck they can count on, and the security to support their families and plan for the future.

Senate Bill 1 is a critical step toward protecting California's economic resilience and restoring power to its citizens. California's employers are neighbors, coworkers, and community members, and what protects them protects the families who depend on them. We thank you for your vision and look forward to working alongside you to see this bill successfully through the legislative process.

Sincerely,

Aishah Apalara

Aishah Apalara (She/Her/Hers) - Lobbyist

CalChamber