



# *City of Rialto*

## *California*

February 10, 2026

**League of California Cities (CalCities)**

**Board of Directors**

1400 K Street, Suite 400  
Sacramento, CA 95814

**Subject:** Opposition to Revenue and Taxation Committee Recommendation Regarding E-Commerce Bradley-Burns Sales and Use Tax Allocation

Dear President Quinto, Executive Director Coleman, and Members of the Board:

On behalf of the City of Rialto, we write in advance of the February 19-20 League of California Cities Board of Directors' meeting to express our serious concerns regarding the Revenue and Taxation Policy Committee's recommendation to modify the allocation of Bradley-Burns local sales and use tax revenues derived specifically from e-commerce transactions. We respectfully urge the Board to **decline to adopt** the Committee's recommendation and, in doing so, reaffirm the League's long-standing commitment to local control, fiscal stability, and unity among California's cities.

The recommendation – made by a deeply divided Committee that included 15 opposition votes and three abstentions among 43 members – proposes a policy position that advocates for the fundamental restructuring of how e-commerce-generated Bradley-Burns revenues are allocated by imposing a mandatory 50/50 split between point-of-distribution jurisdictions and destination (point-of-residence) jurisdictions, subject to adjustment bands and phased implementation. While framed as an equity measure, this proposal would have material, disproportionate, and immediate fiscal consequences for cities that host the physical infrastructure supporting e-commerce activity, including warehouses, fulfillment centers, freight corridors, and logistics hubs.

The City of Rialto made land-use decisions, infrastructure investments, and long-term service commitments based on the existing statutory framework governing e-commerce

Bradley-Burns revenues. These decisions were undertaken in good faith under rules that were stable, predictable, and uniformly applied. E-commerce distribution activity imposes localized and ongoing impacts, including increased heavy-duty truck traffic, roadway degradation, traffic congestion, public safety demands, environmental and code-enforcement obligations, and neighborhood quality-of-life impacts. Bradley-Burns revenues generated from e-commerce transactions directly fund the services required to mitigate these impacts.

The City of Rialto would face a 25% or greater reduction in annual sales tax revenue attributable solely to e-commerce transactions. These losses translate into multi-million-dollar fiscal impacts that would constrain the ability to provide essential services and maintain critical infrastructure. The proposed redistribution, therefore, shifts fiscal responsibility without corresponding authority or relief, placing the burden of statewide e-commerce activity disproportionately on the communities that physically support it.

The League of California Cities has consistently positioned itself as the defender of local control and the collective voice of California's cities acting in unity. A policy that redistributes locally generated e-commerce revenues from one city to another undermines that unity by placing cities in direct competition. Such an outcome conflicts with the League's core purpose and weakens its collective strength.

The recommendation also establishes a concerning precedent. If e-commerce Bradley-Burns revenues can be redistributed, other categories of locally generated revenue may be subject to similar reallocation in the future. This level of uncertainty undermines responsible long-term fiscal planning and erodes confidence in the stability of California's local revenue framework. Compounding this concern, many directly affected cities received little advance notice prior to committee action, limiting meaningful engagement before the recommendation was advanced to the Board.

In light of the recommendation now before the Board, several cities are assessing how this proposal aligns with the League's long-standing principles and the value derived from membership. The City of Rialto intends to pause membership dues obligations and will take further steps to reconsider its membership should the Board move forward with this recommendation.

For these reasons, we respectfully urge the Board of Directors to **decline adoption** of the Revenue and Taxation Policy Committee's recommendation regarding e-commerce Bradley-Burns sales and use tax allocation.

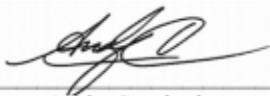
Protecting local control requires respecting the rules under which cities planned, invested, and served their communities. We urge the Board to act in a manner that preserves that principle, upholds the League's commitment to unity, and strengthens California's cities collectively rather than placing them in opposition to one another.

Respectfully submitted,

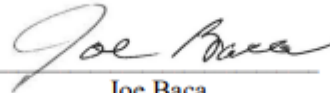
The City of Rialto City Council



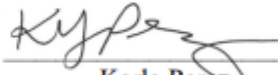
Ed Scott  
Mayor Pro Tem




Andy Carrizales  
Council Member



Joe Baca  
Mayor



Karla Perez  
Council Member



Edward Montoya Jr.  
Council Member