

SENATE THIRD READING  
SJR 7 (Cervantes)  
As Amended February 26, 2026  
Majority vote

## **SUMMARY**

This measure formally urges Donald J. Trump to revoke tariffs enacted since January 2025, arguing that these trade measures contribute to increased consumer costs. It further calls on the United States Congress to nullify the tariffs by terminating the national emergency declared on April 2, 2025, and to preclude future emergency declarations that could authorize additional tariff escalations.

### **Major Provisions**

- 1) Affirms that Article I, Section 8 of the U.S. Constitution vests Congress with exclusive authority over foreign commerce and taxation, limiting unilateral executive power to impose tariffs. Emphasizes that this power has broad economic, diplomatic, and national stability implications.
- 2) Notes bipartisan support for free trade in the U.S. since World War II. References statements by Presidents Eisenhower (1958) and Reagan (1988) endorsing open trade as essential to prosperity and global stability.
- 3) Highlights Project 2025 by the Heritage Foundation, including Peter Navarro's "Case for Fair Trade," which advocated for significant tariffs. Notes that after the 2024 election, key Project 2025 contributors were appointed to federal positions, including Navarro as Senior Counselor for Trade and Manufacturing.
- 4) April 2, 2025: President Trump declared a national emergency under the IEEPA to impose a 10% base tariff on all imports and higher tariffs on 57 countries.
- 5) Observes global market disruption and significant stock market declines following the announcement. Cites warnings from the U.S. Chamber of Commerce and economists regarding harms to small businesses, households, and overall purchasing power.
- 6) Highlights disproportionate impact on California:
  - a) Higher consumer prices for essential goods.
  - b) Increased costs for housing and construction materials (~\$9,200 per new home).
  - c) Potential export losses for California agribusiness (\$3.1–\$4.8 billion annually).
  - d) Disruption at Ports of Los Angeles and Long Beach (up to 40% drop in shipping volume).
  - e) Estimated tariff costs for California households: \$1,900–\$2,000 annually.
- 7) February 20, 2026: U.S. Supreme Court ruled (6–3) that President Trump exceeded constitutional authority under IEEPA, illegally imposing tariffs without congressional

approval. Despite this ruling, the President continues imposing tariffs using alternative statutory authority, prolonging economic uncertainty.

## COMMENTS

Although trade policy is set at the federal level, its economic consequences are felt acutely in California, with projections suggesting a potential cost of \$25 billion to the state, over 64,000 lost jobs, and overall reduced tax revenues. As a top trading state, California faces increased costs for businesses, supply chain disruptions, and higher consumer prices. Key sectors like agriculture, technology, and manufacturing are hardest hit, with specific ports experiencing reduced activity and retaliatory tariffs affecting exports.

According to the U.S. Department of Commerce, California's goods exports reached \$183.34 billion in 2024, a 2.5% increase over the \$178.84 billion reported in 2023. Nearly one out of every eleven dollars of U.S. goods exports originates in California, reflecting the state's outsized role in the national trade economy. In 2024 alone, California exported to more than 225 foreign markets, demonstrating the breadth of the state's global integration. For California, trade is not an abstract policy issue, it is a foundational component of economic activity, job creation, and regional competitiveness. International commerce expands market access for California producers, supports employment across multiple sectors, and strengthens supply chain connectivity. In practical terms, trade enables California to compete globally, supply goods to international consumers, and contribute meaningfully to rising standards of living both at home and abroad.

In April 2025, California became the first state to formally challenge the administration's tariff actions in court, filing suit to halt the imposition of tariffs enacted without congressional approval. On February 20, 2026, the U.S. Supreme Court ruled 6–3 that President Trump exceeded his constitutional authority under IEEPA by imposing tariffs without congressional approval; however, he has continued imposing tariffs under alternative statutory authority, extending economic uncertainty.

SJR 7 reflects California's position that unilateral executive tariff actions under emergency authority pose substantial economic and legal risks. By urging rescission of these tariffs and legislative safeguards, the resolution seeks to mitigate inflationary pressures, stabilize supply chains, and reinforce the constitutional balance of powers over trade policy.

### **According to the Author**

According to the author, "The economy of the United States has been thrown into chaos after President Donald J. Trump imposed tariffs on the importation of foreign goods on April 2, 2025. Unfortunately, these tariffs will lead to increased costs for American consumers on every day and essential goods like bananas, coffee, and toilet paper. The Trump tariffs will also cause an increase in the cost of building materials, leading new home prices to rise and further deepening California's housing crisis. After the imposition of tariffs, shipping volume at the Ports of Los Angeles and Long Beach fell by up to 40% at the beginning of May 2025, a development which President Trump called 'a good thing.' According to the UC Giannini Foundation of Agricultural Economics, reciprocal tariffs imposed by other countries could cause at least \$3.1 billion in annual export losses for California's agricultural industry. The U.S. Chamber of Commerce warned the Trump Administration that 'many small businesses will suffer irreparable harm' because of President Trump's tariffs.

Senate Joint Resolution 7 calls on President Trump and Republicans in Congress to abandon their agenda of increasing the cost of living for Americans and put the welfare of our country's working families and small businesses first by ending this harmful regime of tariffs."

**Arguments in Support**

None on file.

**Arguments in Opposition**

None on file.

**FISCAL COMMENTS**

None.

**VOTES**

**SENATE FLOOR: 26-9-5**

**YES:** Allen, Archuleta, Arreguín, Ashby, Blakespear, Cabaldon, Caballero, Cervantes, Cortese, Durazo, Gonzalez, Grayson, Hurtado, Laird, Limón, McGuire, McNerney, Menjivar, Pérez, Richardson, Rubio, Smallwood-Cuevas, Stern, Wahab, Weber Pierson, Wiener

**NO:** Choi, Dahle, Grove, Jones, Niello, Ochoa Bogh, Seyarto, Strickland, Valladares

**ABS, ABST OR NV:** Alvarado-Gil, Becker, Padilla, Reyes, Umberg

**UPDATED**

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CONSULTANT: Carla Castilla / E.D., G., & H.I. / (916) 319-2090

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