

UNFINISHED BUSINESS

Bill No: SJR 7
Author: Cervantes (D), et al.
Amended: 2/26/26 in Assembly
Vote: 21

SENATE BUS., PROF. & ECON. DEV. COMMITTEE: 8-3, 6/30/25
AYES: Ashby, Archuleta, Arreguín, Grayson, Menjivar, Smallwood-Cuevas,
Umberg, Weber Pierson
NOES: Choi, Niello, Strickland

SENATE FLOOR: 26-9, 7/17/25
AYES: 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
NOES: Choi, Dahle, Grove, Jones, Niello, Ochoa Bogh, Seyarto, Strickland,
Valladares
NO VOTE RECORDED: Alvarado-Gil, Becker, Padilla, Reyes, Umberg

ASSEMBLY FLOOR: 60-13, 4/20/26 - See last page for vote

SUBJECT: Tariffs

SOURCE: Author

DIGEST: This resolution urges President Donald J. Trump to rescind the increase in tariffs that he has imposed since taking office in January 2025 and refund the American people for the costs passed on to them by his tariffs and urges the United States Congress to enact a joint resolution to rescind President Trump's tariffs oppose all future unilateral and arbitrary tariff increases imposed by President Trump.

Assembly Amendments of 2/26/26 urge President Trump to refund the American people for tariff costs passed on to them. Add declarations related to the powers of

Congress, the consumer costs related to tariffs, and the Supreme Court decision related to tariffs. Make technical changes and add coauthors.

ANALYSIS:

Existing federal law authorizes the president, via the International Emergency Economic Powers Act (IEEPA), to regulate international commerce after declaring a national emergency in response to any unusual and extraordinary threat to the United States which has a foreign source. It further authorizes the president to block transactions, freeze assets, and restrict imports and exports of certain goods or technologies to deal with the threat and requires the president to report to Congress every six months on the circumstances, threats and actions taken. In the event of an actual attack on the United States, the president can also confiscate property connected with a country, group, or person that aided in the attack. The act falls under the provisions of the National Emergencies Act and must be renewed annually to remain in effect. (Public Law 95-223; 50 United States Code (U.S.C.) §§ 1701-1705)

Existing state law:

- 1) Establishes the Governor's Office of Business and Economic Development (GO-Biz) for the purpose of serving as the lead state entity for economic strategy and marketing of California on issues relating to business development, private sector investment and economic growth. (Government Code (GC) §§ 12096 – 12098.7)
- 2) Specifies that GO-Biz is the primary state agency authorized to attract foreign investments, cooperate in international public infrastructure projects, and support California businesses in accessing markets, and requires the Director of GO-Biz to develop an international trade and investment program (ITI Program) attracting employment-producing direct foreign investment to the state and providing support for California businesses in accessing international markets and increasing exports. (GC § 13996.41)

This resolution:

- 1) Urges President Donald J. Trump to rescind the increase in tariffs that he has imposed since taking office in January 2025 and refund the American people for the costs passed on to them by his tariffs and urges the United States Congress to enact a joint resolution to rescind President Trump's tariffs and to

oppose all future unilateral and arbitrary tariff increases imposed by President Trump.

- 2) Makes declarations related to the constitutional authority granted to Congress and its authority to “regulate commerce with foreign nations” and state that the constitutional power to tax and regulate foreign commerce is among the most consequential powers of Congress.
- 3) Makes various declarations about consensus relating to free trade and statements from Presidents Eisenhower and Reagan about free trade.
- 4) Highlights a 2022 address by Donald J. Trump to the Heritage Foundation and Heritage Foundation produced 2025 Presidential Transition Project, commonly known as Project 2025, which argues for the imposition of severe tariffs on foreign trade.
- 5) States that President Trump declared a national emergency on April 2, 2025, pursuant to IEEPA which allowed him to impose a 10% base tariff on all foreign goods imported from foreign countries into the United States and imposed even higher tariffs on 57 countries. States that after the tariff announcement, stock markets around the world engaged in panic selling, which caused the largest decline in global stock markets since the onset of the COVID-19 pandemic.
- 6) States that low-income and middle-class American households have been hit hardest by the price increases caused by President Trump’s tariffs, with the price of essential goods like bananas, coffee, and toilet paper rising.
- 7) States that while California faces an ongoing housing crisis, the increase in prices caused by President Trump’s tariffs will raise the price of building materials, which will in turn make the cost of a new home rise by about \$9,200 according to the National Association of Home Builders based on data from March 2025.
- 8) States that California farmers exported more than \$23 billion worth of food in 2022, with almonds topping the list, followed by dairy products, pistachios, and wine. According to a 2024 study by the University of California Giannini Foundation of Agricultural Economics, if the United States imposed a 10% tariff on all goods from all countries and those countries responded similarly,

estimated annual export losses would be between \$3.1 billion and \$4.8 billion for California agribusiness.

- 9) States that due to the imposition of tariffs, shipping volume in May 2025 at the Ports of Los Angeles and Long Beach fell by up to 40 percent, imperiling the supply chain of goods from Asia into the United States, a development which President Trump called “a good thing.”
- 10) States that American consumers paid more than \$231 billion in tariff costs between February 2025 and January 2026, an average of approximately \$1,751 per household nationwide, with California households projected to lose between \$1,900 and \$2,000 due to the disproportionate impact of tariffs on the state.
- 11) States that President Trump’s tariffs have caused global chaos and threaten the strength of the United States’ longstanding relationships with foreign nations and longtime American allies like the United Kingdom, the European Union, Japan, and the Republic of Korea.
- 12) States that on February 20, 2026, in a 6 to 3 decision written by Chief Justice John Roberts, the United States Supreme Court ruled that President Trump exceeded his constitutional authority by wrongfully claiming emergency powers from the IEEPA to impose sweeping tariffs on nearly every trading partner of the United States, and illegally imposing the largest tax increase on working families and small businesses in our lifetime; and despite this rebuke by the Supreme Court, President Trump has invoked alternative statutory authority to continue imposing sweeping tariffs without congressional authorization, thereby prolonging the economic uncertainty plaguing the American and global economies, and further straining the limits of the separation of powers.
- 13) States President Trump’s agenda to impose tariffs on imports will harm working families by increasing the costs of everyday goods, increase inflation and derail the nation’s economic recovery from the recession caused by the COVID-19 pandemic, leave small businesses reeling from unpredictable periods of tariffs being imposed then paused without warning, and dangerously undermine the standing of the United States on the global stage.

Background

Currently, GO-Biz administers an International Affairs and Business Development Unit, which serves as California's primary point of contact for expanding international trade and investment relations. This unit focuses on foreign direct investment (services for foreign investors, foreign investment technical assistance, and the EB-5 Investor Visa Program), international trade promotion (STEP program, trade missions, export assistance, and the California-China Trade Office), and international agreements.

GO-Biz currently has authority for undertaking international trade and foreign investment activities. The *International Affairs and Trade Program* report prepared by GO-Biz in 2023 notes that the International Affairs and Trade team (IAT) advises the Governor on international affairs and trade issues, implements strategies to develop and grow partnerships and engagement with foreign partners, and provides recommendations to promote and expand California's trade and foreign direct investment. According to the report, IAT works with a robust network of international partners to promote California exports, support small businesses in accessing global markets, and attract inward investment that brings high-quality jobs to Californians. IAT executed several major international events, including a Clean Energy Trade Mission to Japan with over 100 delegates from California's public and private sectors, a climate-focused gubernatorial visit to China, and a California pavilion at the annual Asia Pacific Economic Cooperation Summit. IAT also successfully implemented trade missions to key markets such as Mexico, China, Japan, and Germany in a variety of strategic sectors, among other efforts and activities.

According to the Office of the U.S. Trade Representative, industrial goods encompass all non-agricultural goods and include products such as machinery, autos and transportation equipment, information technology products, minerals and metals, petroleum, chemicals, textiles and clothing, leather and footwear, consumer goods, wood products, and fish and fish products. Industrial tariffs are customs duties on non-agricultural merchandise imports, levied either as a percentage of the value or on a specific basis (e.g., \$1 per 100 pounds).

According to February 2025 information from the Public Policy Institute of California (PPIC), "In 2024, California's total merchandise trade reached \$675 billion—close to 16% of state GDP. California imports 2.7 times more goods than it exports, reflecting the purchasing power of the state's market. However, imports also include intermediate goods used in the manufacturing of California products

that could eventually be exported. In this way, tariffs on imported goods may have direct effects on consumers, producers, and exporters in the state. Manufactured goods dominate California exports at 87% (\$159 billion)—computer equipment, semiconductors, instruments, and aerospace products and parts are at the top of manufacturing exports. The state also leads the nation in agricultural exports (\$15 billion), with products like nuts, processed and fresh fruits, and processed vegetables generating an important revenue stream for California farmers.

PPIC noted that “tariffs imposed in 2018 and 2019 led to higher prices across the country for consumer goods—like washing machines and solar panels, and for intermediate goods—like aluminum and steel. Higher costs were largely paid by American consumers and firms. At the time, these higher prices didn’t necessarily impact overall prices—that is, inflation—in a major way. In manufacturing sectors, such as aluminum production and household appliances, lower employment and output in the short-term were due to rising costs of imported materials necessary for production and retaliatory tariffs.”

FISCAL EFFECT: Appropriation: No Fiscal Com.: No Local: No

SUPPORT: (Verified 4/21/26)

None received

OPPOSITION: (Verified 4/21/26)

None received

ASSEMBLY FLOOR: 60-13, 4/20/26

AYES: Addis, Aguiar-Curry, Ahrens, Alanis, Arambula, Ávila Farías, Bains, Bauer-Kahan, Bennett, Berman, Boerner, Bonta, Bryan, Calderon, Caloza, Carrillo, Connolly, Elhawary, Fong, Gabriel, Garcia, Gipson, Mark González, Haney, Harabedian, Hart, Hoover, Irwin, Jackson, Kalra, Krell, Lee, Lowenthal, McKinnor, Muratsuchi, Nguyen, Ortega, Pacheco, Papan, Patel, Pellerin, Petrie-Norris, Quirk-Silva, Ramos, Ransom, Michelle Rodriguez, Rogers, Blanca Rubio, Schiavo, Schultz, Sharp-Collins, Solache, Soria, Stefani, Valencia, Wallis, Wicks, Wilson, Zbur, Rivas

NOES: Chen, DeMaio, Dixon, Ellis, Gallagher, Jeff Gonzalez, Hadwick, Johnson, Lackey, Macedo, Sanchez, Ta, Tangipa

NO VOTE RECORDED: Alvarez, Castillo, Davies, Flora, Patterson, Celeste
Rodriguez, Ward

Prepared by: Elissa Silva/Anna Billy/Sarah Mason / B., P. & E.D. /916-651-4104
4/21/26 16:29:43

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