



OFFICE OF THE GOVERNOR

SEP 27 2026

To the Members of the California State Assembly:

I am returning Assembly Bill 760 without my signature.

This bill would enact a personal income and corporation tax exclusion for settlement payments related to the 2026 Garden Grove chemical leak.

I wholeheartedly support the intent of this bill. In 2022, I signed legislation that provided similar tax exclusions for settlement claims resulting from catastrophic wildfires that occurred in the preceding five years. In signing those bills, I stated that future measures, like this bill, should be included in the annual budget process, given the General Fund implications. This standard was subsequently applied to Assembly Bill 1973 (Lackey) and Senate Bill 542 (Dahle) in 2024. I strongly encourage the Legislature to include this proposal in next year's budget framework.

For these reasons, I cannot sign this bill.

Sincerely,

Gavin Newsom

