
SENATE COMMITTEE ON APPROPRIATIONS

Senator Anna Caballero, Chair
2025 - 2026 Regular Session

AB 1485 (Macedo) - Property tax: documentary transfer tax: exemptions: Native American tribes

Version: July 15, 2025

Urgency: No

Hearing Date: August 29, 2025

Policy Vote: REV. & TAX. 5 - 0

Mandate: Yes

Consultant: Robert Ingenito

Bill Summary: AB 1485 would (1) exempt tribal land return transactions from the documentary transfer tax (DTT), and (2) enact a property tax exemption, parallel to the current exemption for open space lands, for properties owned and operated by a federally recognized Indian tribe or its wholly owned subsidiary.

******* ANALYSIS ADDENDUM – SUSPENSE FILE *******

**The following information is revised to reflect amendments
adopted by the committee on August 29, 2025**

Fiscal Impact:

- The Board of Equalization (BOE) indicates that this bill would reduce annual property tax revenues by \$4.7 million. Reductions in local property tax revenues, in turn, can increase General Fund Proposition 98 spending by up to roughly 50 percent (the exact amount depends on the specific amount of the annual Proposition 98 guarantee, which in turn depends upon a variety of economic, demographic and budgetary factors). BOE would incur minor administrative costs to implement the provisions of the bill.
- The Legislative Analyst's Office (LAO) would likely incur absorbable costs to prepare its required report. The LAO's funding comes from the Legislature's budget, which is capped by Proposition 140 (1990). Thus, to the extent the LAO would be required to perform the duties required by the bill, less resources would be available for other LAO workload.
- By expanding the duties of local tax officials, this bill creates a state-mandated local program. To the extent the Commission on State Mandates determines that the provisions of this bill create a new program or impose a higher level of service on local agencies, local agencies could claim reimbursement of those costs. The magnitude is unknown (General Fund).

Author Amendments:

- Add "Traditional Tribal Knowledge" definition language.
- Revised the definition of a tribe, as specified, to be more inclusive of non-federally recognized tribes.
- Add parking as an allowable revenue source.

- Align all reporting responsibilities with BOE, as specified.
- Provide that reporting responsibilities are contingent to the extent that data is available.
- Add coauthors.

-- END --