

CONCURRENCE IN SENATE AMENDMENTS

CSA1 Bill Id:AB 1485 Author:(Macedo)

As Amended Ver:September 5, 2025

Majority vote. Tax Levy

SUMMARY

Provides that certain uses of property owned by a federally recognized Indian tribe, or its wholly owned subsidiary, are exempt from taxation, and exempts a "tribal land return transaction" from any documentary transfer tax until January 1, 2031.

Senate Amendments

- 1) Provide that this bill's provisions apply to property tax lien dates for the 2026-27 fiscal year (FY), to the 2031-2032 fiscal year, inclusive, and repeal these provisions on January 1, 2033.
- 2) Add the preservation of tribal traditional knowledge, as defined in existing law, as an eligible exempt use.
- 3) Add parking fees to the type of direct or in-kind revenues that are prohibited from being considered when determining whether the property is used for the actual operation of the exempt activity.
- 4) Clarify that only a federally recognized tribe, or its wholly owned subsidiary, may qualify for this bill's definition of a "tribal land return transaction."
- 5) Modify this bill's reporting provisions to remove the requirement of the Legislative Analyst's Office, and specify that the State Board of Equalization must begin its reporting of required information on or before March 1, 2028, and every March 1 thereafter.
- 6) Provide that reporting requirements are contingent upon the availability of data.

COMMENTS

- 1) *"Manifest destiny" and its origin:* Throughout the 19th Century, the relationship between Native American tribes and various jurisdictions of the United States was openly hostile. Spurred on by the concept of "manifest destiny," or the dogmatic belief that the United States and its citizens were manifestly destined to expand across North America, settlers began migrating westward in an effort to realize this belief. Manifest destiny, however, sprang from an earlier legal doctrine first carried to the Americas by European colonial settlers. The "Doctrine of Discovery" was a set of international legal principles that, in essence, automatically granted property rights in native lands to Europeans as they settled. On what could be described as a "first-come, first-serve" basis, Europeans arriving in and settling an area granted those settlers governmental, political, and commercial rights over the land and its indigenous inhabitants, without those inhabitants' consent. Thus, the physical acts of planting a flag or setting up boundary markers to delineate a plot were not simply symbolic

or practical; those acts held legal weight. In fact, the "doctrine of discovery" remains international law to this day¹.

- 2) *Taxation of tribes*: Pursuant to the Commerce Clause in Article 1, Section 8, Clause 3 of the United States Constitution, Congress is vested with the power "to regulate commerce with foreign nations, among states, and with the Indian tribes." Thus, states generally do not have jurisdiction to tax tribal land on reservations. Additionally, existing law exempts from taxation lands held in trust by the United States for the benefit of a Native American tribe or individual Native Americans. Generally, however, Indian lands not held in trust or not on a reservation are taxable. Ruling in favor of the defendants, the United States Court of Appeals for the Ninth Circuit affirmed the lower court's ruling that the *ad valorem* real and personal property taxes imposed on an off-reservation property were constitutional, if the taxes were nondiscriminatory².
- 3) *California acts to redress historical inequities*: In 2020, the Governor signed Executive Order N-82-20, which directed certain agencies to partner with various entities, including California tribes, to combat the biodiversity and climate crises. Subsequently, the Legislature enacted SB 101 (Committee on Budget and Fiscal Review), Chapter 12, Statutes of 2023, which directed the California Natural Resources Agency (CNRA) to develop a Tribal Nature-Based Solutions program, and appropriated \$41 million across the CNRA and the California Conservation Corps for the purpose of supporting tribal programs and activities that promote conservancy. Last year, the Legislature appropriated an additional \$10 million for the Tribal Nature-Based Solutions Program by authorizing SB 867 (Allen), Chapter 83, Statutes of 2024. These appropriations augmented a separate allocation to the CNRA of \$175 million across fiscal years 2022-23 and 2023-24 to support nature-based conservancy solutions generally. As a result, the CNRA has announced nearly \$108 million available to fund 33 projects and support the return of approximately 39,000 acres of land to California Native American tribes.
- 4) *Documentary Transfer Tax Act (DTTA)*: A county board of supervisors is authorized to, by ordinance, impose a tax on each document that transfers real property within a county. The tax is limited to a rate of \$0.55 for each \$500 of property transferred if the price of the transferred property exceeds \$100. Statute provides for a number of exemptions to the DTTA, including documents to secure debt, documents transferring assets in bankruptcy, and documents transferring community property, among others

According to the Author

Supporting the preservation of Indian ancestral lands is important to California's rich history. AB 1485 is a step in the right direction to ensure that federally recognized Indian tribes receive the same property tax exemptions as other entities engaged in conservation efforts. This bill removes financial barriers that currently make it more difficult for tribes to reclaim ancestral lands for cultural, educational, and conservation purposes. AB 1485 strengthens California's commitment to tribal sovereignty and environmental preservation.

¹ Miller, *American Indians, the Doctrine of Discovery, and Manifest Destiny*, Wyoming Law Review: Vol. 11: No. 2, article 2.

² *Salt River Pima-Maricopa Indian Community v. Yavapai County*, 50 F.3d 739 (9th Cir. 1995).

Arguments in Support

None on file

Arguments in Opposition

None on file

FISCAL COMMENTS

The Senate Committee on Appropriations states the following in its analysis of a previous, but substantially similar, version of this bill:

- 1) The State 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). The BOE would incur minor administrative costs to implement the provisions of the bill.
- 2) 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).

VOTES:**ASM REVENUE AND TAXATION: 7-0-0**

YES: Gipson, Ta, Carrillo, DeMaio, Garcia, McKinnor, Quirk-Silva

ASM APPROPRIATIONS: 14-0-1

YES: Wicks, Arambula, Calderon, Caloza, Dixon, Elhawary, Fong, Mark González, Hart, Pacheco, Pellerin, Solache, Ta, Tangipa

ABS, ABST OR NV: Sanchez

ASSEMBLY FLOOR: 77-0-2

YES: Addis, Aguiar-Curry, Ahrens, Alanis, Alvarez, Arambula, Ávila Farías, Bains, Bauer-Kahan, Bennett, Berman, Boerner, Bonta, Bryan, Calderon, Caloza, Carrillo, Castillo, Chen, Connolly, Davies, DeMaio, Dixon, Elhawary, Ellis, Flora, Fong, Gabriel, Gallagher, Garcia, Gipson, Jeff Gonzalez, Mark González, Hadwick, Haney, Harabedian, Hart, Hoover, Irwin, Jackson, Kalra, Krell, Lackey, Lowenthal, Macedo, McKinnor, Muratsuchi, Nguyen, Pacheco, Papan, Patel, Patterson, Pellerin, Petrie-Norris, Quirk-Silva, Ramos, Ransom, Celeste Rodriguez, Michelle Rodriguez, Rogers, Blanca Rubio, Sanchez, Schiavo, Schultz, Sharp-Collins, Solache, Soria, Stefani, Ta, Tangipa, Valencia, Wallis, Ward, Wicks, Wilson, Zbur, Rivas

ABS, ABST OR NV: Lee, Ortega

UPDATED

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