

Some tribes hold land through corporations chartered under tribal law. Those entities are legitimate arms of tribal self-governance, but current statutory language does not clearly state them in the relevant tax provisions. As a result, similarly situated tribal land return transactions may be treated differently based solely on how a tribe structures its ownership.

AB 2167 provides a simple fix by expressly including corporations chartered under tribal law in the applicable welfare exemption and [DTT] provisions. This bill promotes parity, respects tribal governance structures, and preserves the intent of existing law.

This bill is supported by individual tribes and the California Nations Indian Gaming Association.

- 2) **Background. *Return of Native American Ancestral Lands.*** On September 25, 2020, Governor Newsom issued a Statement of Administration Policy that stated:

[I]t is the policy of this administration to encourage every State agency, department, board and commission subject to my executive control to seek opportunities to support California tribes' co-management of and access to natural lands that are within a California tribe's ancestral land and under the ownership or control of the State of California, and to work cooperatively with California tribes that are interested in acquiring natural lands in excess of State needs.

On April 26, 2024, Governor Newsom announced the state awarded more than \$100 million in funding appropriated as part of the fiscal years 2022-23 and 2023-24 state budgets for 33 tribal land projects, including ancestral land return.

Welfare Exemption and DTT. Existing law authorizes the property tax welfare exemption for property used exclusively for specified preservation or open-space purposes that is open to the general public and owned and operated by a scientific or charitable fund with a primary interest to preserve such natural areas. AB 1485 allowed similar property owned by a Native American tribe to qualify for the welfare exemption until the property tax lien date for the 2031-32 fiscal year. This bill additionally applies the exemption to a property owned by a non-profit corporation chartered pursuant to tribal law.

Existing law authorizes a county board of supervisors to enact an ordinance to impose a tax on each document that transfers real property within the county. The DTT is a local government revenue source. Existing law also provides for a number of DTT exemptions, such as for documents to secure debt, transfer assets in bankruptcy, and transfer community property. AB 1485 exempts a tribal land return transaction to a Native American tribe from DTT until January 1, 2031. This bill additionally applies the exemption to a transaction to a non-profit corporation chartered pursuant to tribal law.