CONCURRENCE IN SENATE AMENDMENTS
AB 2167 (Macedo)
As Amended June 11, 2026
Majority vote. Tax Levy

SUMMARY

Expands the type of entities eligible for the welfare exemption for tribal conservation activities and the exemption from the Documentary Transfer Tax Act (DTTA) for tribal land return transactions to include certain nonprofit corporations.

Senate Amendments

1) Clarify that a qualifying nonprofit corporation be chartered by a federal recognized Indian tribe pursuant to tribal law or Section 17 of the federal Indian Reorganization Act.

2) Provide that a "wholly owned tribal entity" be eligible, and define that term as an entity wholly owned by one or more Indian tribal governments as that term is defined in federal law, that is organized or incorporated under the laws of the tribe or tribes that own the entity, or organized or incorporated under the laws of one or more of the tribes that own the entity and authorized by all of the other owning tribes.

COMMENTS

1) *Tribal exemptions*: Last year, the Legislature passed AB 1485 (Macedo), Chapter 2, Statutes of 2026. AB 1485 authorized the existing tribal exemptions under the welfare exemption for conservation activities and the DTTA. When AB 1485 passed the Assembly, that bill only included as eligible entities those currently in existing law. AB 1485 was subsequently amended in the Senate to include, and then remove, corporations chartered pursuant to tribal law as eligible entities. The sponsors of this bill claim that the deletion was inadvertent.

2) *Need for this bill*: Committee staff questioned the sponsors of this bill regarding the deficiency in existing law. In response, the sponsors noted that they had not considered the existing construction, despite sponsoring said construction in AB 1485. Committee staff is unclear as to the extent to which other tribes would benefit from this bill. Committee staff notes, however, that qualifying non-profit corporations, funds, foundations, and limited liability companies are qualifying entities under the welfare exemption for conservation activities, generally.

According to the Author

The author has submitted the following statement in support of this bill:

> California has taken an important step toward supporting tribal land return transactions and the preservation of natural resources and open-space lands under current law. AB 2167 is a narrow follow-up measure to ensure that framework works as intended.
>
> 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 documentary transfer tax provisions. This bill promotes parity, respects tribal governance structures, and preserves the intent of existing law.

Arguments in Support
The Wilton Rancheria, writing in support of this bill, states, in part:

> California's property-tax and documentary-transfer-tax statutes should likewise reflect how tribal governments actually organize and govern land-restoration efforts. By expressly including tribally chartered corporations, AB 2167 would align state law with tribal governance realities, reduce unnecessary uncertainty, and preserve the purpose of prior legislation supporting land return, open-space preservation, and natural-resource conservation.

Arguments in Opposition
None on file

FISCAL COMMENTS

The Senate Appropriations Committee has estimated the following fiscal impact:

1) This bill would likely reduce local property tax revenues relative to current law. Although the [State] Board of Equalization (BOE) estimates no revenue impact, the actual fiscal effect is unknown because it is unclear how many nonprofit corporations chartered under tribal law currently own, or may in the future acquire, property that would become eligible for the exemption.

   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 turns depends upon a variety of economic, demographic and budgetary factors).

2) [The] BOE would incur minor and absorbable costs as a result of the bill.

3) By imposing specified duties on local 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, but likely minor.

VOTES:

ASM REVENUE AND TAXATION: 7-0-0
YES: Gipson, Sanchez, Carrillo, DeMaio, McKinnor, Quirk-Silva, Michelle Rodriguez

ASM APPROPRIATIONS: 15-0-0
YES: Wicks, Hoover, Aguiar-Curry, Calderon, Caloza, Dixon, Fong, Mark González, Krell, Pacheco, Pellerin, Sharp-Collins, Solache, Ta, Tangipa

ASSEMBLY FLOOR: 71-0-9
YES: Addis, Aguiar-Curry, Ahrens, Alanis, Alvarez, Ávila Farías, Bains, Bauer-Kahan, Bennett, Berman, Boerner, Bonta, Bryan, Calderon, Caloza, Carrillo, Castillo, Connolly, Davies, DeMaio, Dixon, Elhawary, Ellis, Flora, Fong, Gabriel, Gallagher, Gipson, Jeff Gonzalez, Mark González, Hadwick, Haney, Harabedian, Hart, Irwin, Jackson, Johnson, Kalra, Krell, Lowenthal, Macedo, McKinnor, Muratsuchi, Nguyen, Ortega, Pacheco, Papan, Patel, Patterson, Pellerin, Petrie-Norris, Quirk-Silva, Ransom, Michelle Rodriguez, Rogers, Blanca Rubio, Sanchez, Schiavo, Schultz, Sharp-Collins, Solache, Soria, Stefani, Ta, Tangipa, Valencia, Wallis, Ward, Wicks, Zbur, Rivas
ABS, ABST OR NV: Arambula, Chen, Garcia, Hoover, Lackey, Lee, Ramos, Celeste Rodriguez, Wilson

UPDATED

VERSION: June 11, 2026

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