

Date of Hearing: May 6, 2026

ASSEMBLY COMMITTEE ON APPROPRIATIONS

Buffy Wicks, Chair

AB 2187 (Ramos) – As Introduced February 19, 2026

Policy Committee:	Judiciary	Vote:	12 - 0
	Governmental Organization		21 - 0

Urgency: No State Mandated Local Program: No Reimbursable: No

SUMMARY:

This bill exempts a federally recognized California Native American tribe (“tribe”) from certain Public Contracts Code (PCC) requirements.

Specifically, this bill:

- 1) Expands the existing exemption from PCC advertising and bidding requirements applicable to a consulting services contract that can only be performed by a public entity to additionally apply to a consulting services contract that can only be performed by a tribe.
- 2) Expands the existing exemption from the PCC requirement to secure three competitive bids applicable to a service contract with another state agency, local government entity, or certain auxiliary organizations of public education institutions to additionally apply to a service contract with a tribe.
- 3) Allows a tribe to include a subcontract with a subdivision, subsidiary, or business enterprise wholly owned by a tribe for the purpose of fulfilling an interagency agreement if the tribe provides a limited waiver of sovereign immunity and a justification of cost of service to show market equivalence of similar services.
- 4) Provides that a tribe awarded a consulting services contract for tribal cultural resources purposes is exempt from the existing PCC prohibition on an entity awarded a consulting services contract subsequently bidding on the provision of services, procurement of goods, or other related action resulting from the consulting services contract.

FISCAL EFFECT:

Minor and absorbable costs to the Department of General Services (DGS) to update the State Contracting Manual and related materials with this bill’s exemptions for certain state contracts with a tribe.

However, if such exemptions are enacted, DGS would no longer review exempt contracts between a tribe and a state agency. DGS notes that the value of its contract oversight is to ensure a state agency appropriately awards the contract inclusive of statutorily required terms and conditions. DGS notes that the potential fiscal impact of failing to include terms that protect the state from liabilities or other monetary harm can be substantial to the awarding agency. Thus, this bill could result in costs of an unknown, but potentially significant amount, in excess of \$150,000, to the state (General Fund (GF) or special fund).

The Legislative Analyst's Office recently warned of GF structural deficits of around \$35 billion per year in the 2027-28 fiscal year and ongoing.

COMMENTS:

1) **Purpose.** According to the author:

Right now, tribes are disproportionately disadvantaged when competing for state contracts. While the federal government already allows direct contracting with tribes, recognizing the importance of supporting their self-governance, California has no similar policy. This bill will address this inequity by ensuring that state contracting with tribal nations and their businesses is recognized as government-to-government negotiation. This change will give tribes access to more contracting opportunities, helping them support their local economies and their people.

This bill is supported by various tribal nations and the California Rural Indian Health Board.

- 2) **PCC.** The PCC establishes uniform contracting procedures designed to safeguard public funds and promote fairness in public procurement. The PCC regulates the state's acquisition of goods and services, primarily by imposing competitive bidding requirements and related restrictions. For example, the PCC generally requires a public agency to solicit at least three bids for each service contract and prohibits an entity awarded a prime contract from bidding on subsequent related contracts. However, the PCC also provides certain exemptions from these requirements and prohibitions, notably contracts with other state agencies and local government entities. This bill expands such exemptions to a federally recognized California Native American tribe, which is a sovereign government. This bill also provides a tribe with additional exemptions related to subcontracting with a subsidiary and contracting for subsequent related contracts.
- 3) **Related Legislation.** AB 2300 (Arambula) exempts certain grants awarded by the Employment Development Department to local workforce development boards from state contracting requirements. AB 2300 is pending hearing by this committee.
- 4) **Prior Legislation.** AB 630 (Ramos), Chapter 137, Statutes of 2023, removed requirements in existing law that limited the authority of the Department of Transportation to contract with a tribe.

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