

Date of Hearing: May 6, 2026

ASSEMBLY COMMITTEE ON APPROPRIATIONS

Buffy Wicks, Chair

AB 2409 (Valencia) – As Amended April 16, 2026

Policy Committee:	Judiciary	Vote:	12 - 0
	Banking and Finance		9 - 0

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

SUMMARY:

This bill prohibits a public officer and certain public employees from issuing a meme coin.

Specifically, this bill:

- 1) Defines a public officer as a state or local elected or appointed officer, including a Member of the Legislature, or an elected or appointed member of a governmental board or similar body, including a governmental body with only advisory powers; defines a public employee as an employee of a state or local government entity with decision-making authority over the entity’s bids and contracts; and prohibits both from issuing a meme coin.
- 2) Prohibits a business that operates a digital asset exchange from listing a meme coin that contains the likeness or image of a federal public official or a state or local public officer.
- 3) Requires the Attorney General (AG) to enforce these prohibitions by filing a civil action for injunctive relief and authorizes the AG to include a claim for disgorgement, as well as authorizes a district attorney, city attorney, or county counsel to enforce these prohibitions with the same rights as the AG.

FISCAL EFFECT:

- 1) Possible costs to the Department of Justice (DOJ) of an unknown amount to the extent a violation of this bill’s prohibition occurs (General Fund (GF) or special fund). Actual costs will depend on whether a violation occurs that the AG must pursue, and, if so, the level of additional staffing DOJ needs to handle the related workload. If DOJ hires staff to handle enforcement actions required by this bill, DOJ would incur significant costs, likely in the low hundreds of thousands of dollars annually at a minimum. If DOJ does not pursue enforcement because no violations occur, DOJ would likely not incur any costs.
- 2) Ongoing cost pressures of an unknown amount to the courts in additional workload by requiring the AG to file a civil action to enforce the meme coin prohibition and authorizing public prosecution by local agencies (GF or Trial Court Trust Fund (TCTF)). It is unclear how many civil actions may be filed statewide and how much court time may be needed to resolve each case, but it generally costs approximately \$1,000 to operate a courtroom for one hour. Although courts are not funded on the basis of workload, increased pressure on staff and the TCTF may create a demand for increased court funding from the GF. The state

budget provides annual GF backfills to the TCTF to offset revenue reductions, totaling approximately \$117.3 million in fiscal year 2025-26.

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.:

Digital assets have created new opportunities for innovation, but also new risks that California's corruption laws were not built to address. The rapid growth of digital asset platforms has made it easier than ever to create meme coins, producing opportunities for bad actors to circumvent existing economic disclosure and conflict-of-interest laws. As these platforms grow, so does the risk that these technologies could be used to profit from or influence public decision-making. AB 2409 strengthens California's anti-corruption standards for the digital age, ensuring that elected officials and public employees cannot issue digital financial assets to personally benefit from their positions.

This bill is supported by California Common Cause and the Consumer Federation of California.

2) **Meme Coins.** A digital financial asset (DFA), also referred to as "cryptocurrency" or "crypto," is a digital representation of value that is not issued or backed by a government or central bank. Unlike the dollar, a DFA is not considered legal tender, but private parties may agree to use a DFA to facilitate an economic exchange. A meme coin is a type of DFA with the coin's value stemming from community engagement, online hype, and endorsements from public figures. A meme coin often stems from online jokes, memes, or other viral content, such as Dogecoin.

Last year, the Securities and Exchange Commission determined meme coins to be "novelty digital assets" and thus, not subject to regulatory oversight. Federal legislation has been introduced to prohibit a federal official, including their spouse and children, from issuing, sponsoring, or promoting a cryptocurrency or meme coin for pecuniary gain. This bill prohibits a public officer or a public employee with decision-making authority over bids and contracts from issuing a meme coin and prohibits a digital asset exchange from listing a meme coin that contains the likeness or image of a federal public official or a state or local public officer, such as the meme coin released by President Trump (\$TRUMP).

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