
SENATE COMMITTEE ON APPROPRIATIONS

Senator Sabrina Cervantes, Chair
2025 - 2026 Regular Session

AB 2465 (Ortega) - State government: benefits

Version: July 8, 2026

Policy Vote: REV. & TAX. 4 - 0, JUD. 11 -
2

Urgency: No

Mandate: No

Hearing Date: August 13, 2026

Consultant: Robert Ingenito

Bill Summary: AB 2465 would make a business entity that is directly invested in, owns, or manages a private detention facility, or contracts with a private detention facility or agency engaging in immigration enforcement, ineligible to receive any state-provided grant, loan, or tax credit, except as specified.

***** ANALYSIS ADDENDUM – SUSPENSE FILE *****

The following information is revised to reflect amendments
adopted by the committee on August 13, 2026

Fiscal Impact:

- This bill would prohibit specified taxpayers from claiming certain tax credits. According to the Franchise Tax Board (FTB), the number of affected taxpayers and the total amount of disallowed credits cannot be estimated. FTB assumes that each \$1 million in denied tax credits would increase tax revenues by a corresponding \$1 million. However, because the bill requires an equivalent amount to be transferred to the newly created Due Process for All Fund, the measure would have no net fiscal effect on the General Fund.
- FTB would incur administrative costs of \$153,000 in 2026-27, and \$384,000 in 2027-28, to implement the provisions of the bill (General Fund).
- This bill would result in increased workload (to screen applicants and recipients) across state agencies that administer benefit, subsidy, grant, or loan programs. The magnitude is unknown, but at a minimum, would likely reach the hundreds of thousands of dollars annually (General Fund and special funds).

Author Amendments:

- Add coauthors.
- Add a definition for “covered services” to Section One, as specified.
- Add a taxpayer that “operates” a private prison, as provided.
- Clarify in Sections Two and Three that the carryover period for tax credits is one year only.
- Make technical changes.

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