

Date of Hearing: May 6, 2026

ASSEMBLY COMMITTEE ON APPROPRIATIONS

Buffy Wicks, Chair

AB 2506 (Hart) – As Amended April 8, 2026

Policy Committee: Business and Professions Vote: 19 - 0

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

**SUMMARY:**

This bill authorizes the Governor to enter into an agreement to allow commercial cannabis activity between licensees of the Department of Cannabis Control (DCC) and licensees of an Indian tribe if the activities are lawful and subject to licensure under the laws of the tribal government, subject to federal approval or tolerance.

**FISCAL EFFECT:**

No state costs.

**COMMENTS:**

- 1) **Purpose.** This bill is sponsored by the Twenty-Nine Palms Band of Mission Indians. According to the author:

[This bill] supports tribal sovereignty in California...[and] builds off existing legislation and similar laws in Oregon and Washington, among others, to give the State the ability to certify that tribal entities can sell cannabis to state licensed retailers. This mirrors the existing structure that allows out-of-state growers to sell into California, requiring the exact same or stronger protections to safeguard consumers. This integration of tribal markets respects their sovereignty while broadening the availability and lowering the price of regulated and safe cannabis products.

- 2) **Background.** According to the Assembly Business and Professions Committee analysis, it is generally accepted that members of a recognized Indian tribe may engage in cannabis activities on tribal land as long as this activity does not intermix with the market outside that tribal land and any involved individuals are exempted from the state's cannabis license requirements through a claim of sovereign immunity. However, this has led to frustration among tribes that wish to engage in the state's regulated industry without having to waive sovereign immunity, as required by the DCC's regulations. One obstacle to this policy goal is Public Law 280, which does not allow the state's licensing authorities to enter that tribal land to engage in civil regulatory enforcement, meaning a tribe's compliance with state cannabis laws could not be monitored and confirmed without a waiver of sovereign immunity. Additionally, even if members of a tribe do not intend to engage in regulated cannabis activities, they remain unable to lease any part of their land for cannabis cultivation to a

California licensee because tribal land is not technically within a local government capable of authorizing the activity locally under the state's scheme for dual-licensure. Meanwhile, tribal governments also see significant adverse impacts from the illicit cannabis market, including environmental damage and other criminal activity.

3) **Opposition.** The California Cannabis Operators Association (CaCOA) writes in opposition:

Licensed operators continue to face significant challenges, including an entrenched illicit market, high taxes, and substantial regulatory costs...introducing a fundamental shift in the state's commercial framework, without fully resolving questions of regulatory parity and enforcement, risks further destabilizing an already fragile market and may inadvertently disadvantage operators who remain fully subject to the state's existing requirements.

4) **Prior Legislation.** AB 1710 (Wood), Chapter 123, Statutes of 2019, as introduced, would have authorized the County of Del Norte to enter into an agreement with the Elk Valley Rancheria tribe regarding local authorization for the tribe to engage in commercial cannabis activity, but was amended to address an unrelated topic.

AB 924 (Bonta), of the 2017-18 Legislative Session, would have required a tribe entering into a tribal cannabis regulatory agreement with the Governor, as ratified by the Legislature, to establish a tribal cannabis regulatory commission or agency pursuant to the tribe's established governmental process. AB 924 was held on suspense in the Senate Committee on Appropriations.

**Analysis Prepared by:** Allegra Kim / APPR. / (916) 319-2081