STATE OF CALIFORNIA

STATE BOARD OF EQUALIZATION
PROPERTY TAX DEPARTMENT
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August 26, 2026

No. 2026/032

To County Assessors:

Welfare Exemption: Native American Tribes

Effective February 10, 2026, Assembly Bill (AB) 1485 (Stats. 2026, ch. 2), in part, added section 214.03 to the Revenue and Taxation Code[1], relating to the Welfare Exemption for property that meets specified criteria and is owned and operated by a federally recognized Indian tribe or a wholly owned subsidiary of a federally recognized Indian tribe.

Under section 1 of Article XIII of the California Constitution, all property is taxable unless otherwise provided for by the State Constitution or the laws of the United States. Under section 4(b) of Article XIII of the California Constitution, the Legislature has the authority to exempt from property taxation, in whole or in part, property used exclusively for religious, hospital, scientific, or charitable purposes and owned, or held in trust, by nonprofit corporations or other entities operating for those purposes. This exemption, known as the Welfare Exemption, is implemented under section 214.

Existing law provides that property owned and operated by qualifying nonprofit entities and used exclusively for the preservation of natural resources or open-space lands may be eligible for the Welfare Exemption. AB 1485 expands these provisions for lien dates 2026 through 2031 by allowing property used exclusively for qualifying purposes to be owned and operated by a federally recognized Indian tribe or wholly owned subsidiary of a federally recognized Indian tribe meeting certain requirements. These qualifying purposes include property that is open to the general public, subject to reasonable restrictions, and is used exclusively for the preservation of:

- Native plants or animals.
- Biotic communities.
- Geological or geographical formations of scientific or educational interest.
- Tribal traditional knowledge.
- Open-space lands used solely for recreation and the enjoyment of scenic beauty.

[1] All further statutory references are to the Revenue and Taxation Code unless otherwise indicated.

The exemption provided by this section shall not apply to property that is reserved for future development.

The following uses do not affect whether a property is considered to be used exclusively for one of these exempt purposes, provided they do not generate unrelated business income:

- Activities resulting in direct or in-kind revenues, provided that the activities further the conservation objectives of the property as provided in a qualified conservation management plan. These revenues include those derived from grazing leases, hunting and camping permits, rents from persons performing caretaking activities who reside in dwellings on the property, and parking and admission fees collected for public enjoyment.
- Any lease of the property for a purpose that furthers the conservation objectives of the property, as provided in a qualified conservation management plan.

For purposes of this subdivision, "a qualified conservation plan" means a plan that satisfies all of the following:

- It identifies that the principal purpose and use of the property is for the preservation of native plants or animals, biotic communities, geological or geographical formations of scientific or educational interest, tribal traditional knowledge, or as open-space lands used solely for recreation and for the enjoyment of scenic beauty.
- It identifies the overall conservation goals, including, but not limited to, identification of permitted activities and actions necessary to achieve those goals.
- It describes the natural resources, tribal traditional knowledge, and recreational attributes of the property.
- It describes the potential threats to the conservation values or areas of special concern.
- It contains a timeline for planned management activities and for regular inspections of the property, including existing structures and improvements.

A copy of section 214.03 is enclosed. If you have any questions regarding these changes, please contact the County-Assessed Properties Division at 916-274-3350.

Sincerely,

/s/ David Yeung

David Yeung
Deputy Director
Property Tax Department

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Enclosure

SECTION 1.

Section 214.03 is added to the Revenue and Taxation Code, to read:

214.03.

(a) Property that is used exclusively for the preservation of native plants or animals, biotic communities, geological or geographical formations of scientific or educational interest, tribal traditional knowledge, as defined in subdivision (p) of Section 8012 of the Health and Safety Code, or open-space lands used solely for recreation and for the enjoyment of scenic beauty, is open to the general public subject to reasonable restrictions concerning the needs of the land, and is owned and operated by a federally recognized Indian tribe or a wholly owned subsidiary of a federally recognized Indian tribe shall be deemed to be within the exemption provided for in subdivision (b) of Section 4 and in Section 5 of Article XIII of the California Constitution and in Section 214.

(b) The exemption provided by this section shall not apply to property that is reserved for future development.

(c) (1) For the purposes of determining whether the property is used for the actual operation of the exempt activity as required by subdivision (a), consideration shall not be given to the use of the property for either of the following:

(A) Activities resulting in direct or in-kind revenues, provided that the activities further the conservation objectives of the property as provided in a qualified conservation management plan for the property. These revenues include those revenues derived from grazing leases, hunting and camping permits, rents from persons performing caretaking activities who reside in dwellings on the property, and parking and admission fees collected for purposes of public enjoyment.

(B) Any lease of the property for a purpose that furthers the conservation objectives of the property, as provided in a qualified conservation management plan for the property.

(2) The activities and lease described in paragraph (1) may not generate unrelated business income.

(3) For purposes of this subdivision, a "qualified conservation management plan" means a plan that satisfies all of the following:

(A) Identifies both of the following:

(i) That the foremost purpose and use of the property is for the preservation of native plants or animals, biotic communities, geological or geographical formations of scientific or educational interest, tribal traditional knowledge, or as open-space lands used solely for recreation and for the enjoyment of scenic beauty.

(ii) The overall conservation management goals, including, but not limited to, identification of permitted activities, and actions necessary to achieve those goals.

(B) Describes both of the following:

(i) The natural resources, tribal traditional knowledge, and recreational attributes of the property.

(ii) Potential threats to the conservation values or areas of special concern.

(C) Contains a timeline for planned management activities and for regular inspections of the property, including existing structures and improvements.

(d) This section shall apply to property tax lien dates for the 2026–27 fiscal year to the 2031–32 fiscal year, inclusive.

(e) This section shall remain in effect only until January 1, 2033, and as of that date is repealed.