

Date of Hearing: May 6, 2026

ASSEMBLY COMMITTEE ON APPROPRIATIONS

Buffy Wicks, Chair

AB 2577 (Connolly) – As Amended March 19, 2026

Policy Committee:	Environmental Safety and Toxic Materials	Vote:	7 - 0
	Judiciary		12 - 0

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

SUMMARY:

This bill requires a court, in addition to considering the factors enumerated in existing law, to find that a proposed settlement in a Proposition 65 legal challenge provides a public benefit and is in the public interest.

Specifically, this bill:

- 1) Requires a court to, when approving a settlement of an action under Proposition 65 brought by a person in the public interest, to make a finding, in addition to the findings in existing law, that the settlement provides a public benefit and is in the public interest.
- 2) Requires a settlement, if the settlement is for an action for knowingly and intentionally exposing an individual to a chemical known to the state to cause cancer or reproductive toxicity without first giving clear and reasonable warning, to require the defendant to do either of the following:
 - a) Reduce the exposure to the listed chemical from the level that existed before the settlement.
 - b) Provide the warning required by existing law, if that warning was not provided previously.
- 3) Requires, if the Attorney General objects to the award of attorneys' fees set forth in the settlement of a privately litigated Proposition 65 challenge but the court approves all other elements of the settlement, the court to approve the settlement except for the award of fees, and inform the parties, by written order, that the award of attorney's fees does not appear to be reasonable.
- 4) Provides that if the court rejects an award of attorney's fees, a plaintiff may, within 45 days of receiving notice of the decision, file a declaration or declarations that provide additional information in support of its fee request, including sufficient detail for the court to determine if the fees incurred are reasonable.
- 5) Provides that upon the filing described above, the defendant, the Attorney General, or both, may file responses or objections to that declaration or those declarations, and after review of the declaration or declarations and any responses or objections thereto, the court may enter an award of attorney's fees, which cannot under any circumstances exceed the amount of the award of attorney's fees that was set forth in the settlement.

FISCAL EFFECT:

- 1) The Office of Environmental Health Hazard Assessment (OEHHA), which administers the Proposition 65 program, anticipates minor and absorbable costs (General Fund) to support the AG's assessment related to the public benefit and public interest of settlements.
- 2) Department of Justice (DOJ) reports minors and absorbable costs.
- 3) Judicial Council anticipates minor and absorbable costs to the courts.

COMMENTS:

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

AB 2577 strengthens judicial oversight and restores accountability to Proposition 65 enforcement by ensuring settlements deliver meaningful public health benefits. This bill gives courts flexibility in awarding attorneys' fees and ensures manufacturers provide clear warning labels. I am proud to author AB 2577, which promotes public trust in Proposition 65 and ensures better protection for our safety and public health.

- 2) **Background. Proposition 65.** The Safe Drinking Water and Toxic Enforcement Act of 1986, also known as Proposition 65, requires businesses to provide warnings to Californians about significant exposures to chemicals that cause cancer, birth defects, or other reproductive harm. Proposition 65 also prohibits California businesses from knowingly discharging significant amounts of listed chemicals into sources of drinking water. Proposition 65 requires the state to publish a list of chemicals known to cause cancer, birth defects, or other reproductive harm. This list, which must be updated at least annually, has grown to include approximately 900 chemicals since it was first published in 1987.

Proposition 65 may be enforced by the Attorney General, district attorneys, and some city attorneys, as well as private enforcers bringing actions in the public interest. According to the AG, Proposition 65 enforcement has led to product reformulations that have significantly reduced exposures to lead and other toxic chemicals in foods, beverages, infant formula, children's bounce houses, ceramic tableware, children's jewelry, artificial turf, vitamin supplements, and other products.

This bill is sponsored by the California AG, who notes that private enforcers that filed actions in court are required to submit their settlements to the court for judicial approval, and courts are required to make specified findings in order to approve a settlement. The AG writes, "Unfortunately, the court's options are limited to either approving or rejecting the settlement as a whole, which sends parties back into costly and time-consuming further negotiations or litigation." This bill amends the required statutory findings for court approval of private party settlements to give courts more oversight and flexibility, and according to the AG, "empower[s] courts with stronger judicial oversight over Proposition 65 settlements in order to promote public interest in Proposition 65 and protect the environment and public health."