
THIRD READING

Bill No: AB 2597
Author: Wicks (D)
Amended: 6/30/26 in Assembly
Vote: 27 - Urgency

SENATE APPROPRIATIONS COMMITTEE: 6-0, 8/27/26
AYES: Cervantes, Seyarto, Cabaldon, Dahle, Grayson, Wahab
NO VOTE RECORDED: Richardson

ASSEMBLY FLOOR: 76-0, 8/10/26 - See last page for vote

SUBJECT: Claims against the state: appropriation

SOURCE: Author

DIGEST: This bill, an urgency measure, appropriates approximately \$7.4 million from the General Fund to the Attorney General (AG) for the payment of eight specified claims, settlements, or judgments against the state. Any funds appropriated in excess of the amounts required for payment of the claims will revert to the General Fund.

ANALYSIS:

Existing law, Government Code Section 965 (b), requires the AG to report to the chairperson of the Assembly or Senate Appropriations Committee any claims, settlements, or judgments against the state arising from an action in which the state is represented by the AG and for which there is no sufficient appropriation for the payment of those claims, settlements, or judgments. The chairperson of the relevant Appropriations Committee must introduce legislation appropriating funds for the payment of those claims, settlements, or judgments.

This bill is one of several annual bills carried by the chairs of the Appropriations Committees to provide appropriation authority for legal settlements approved by the Department of Justice (DOJ) and the Department of Finance (DOF). These

settlements were entered into lawfully by the state upon advice of counsel (DOJ), and they are binding state obligations.

This bill appropriates \$7,391,650.83 from the General Fund to the AG to pay for claims, settlements, or judgments against the state related to the following actions:

- 1) *California Chamber of Commerce v. Bonta*—\$2.775 million settlement. This case was brought by the California Chamber of Commerce to prohibit enforcement of Proposition 65 and brought an as-applied challenge for acrylamide warning requirements on food and beverage products as the scientific community wasn't in consensus about the carcinogenic properties. The court found in favor of Cal Chamber of Commerce, declaring Proposition 65's warning requirement unconstitutional as applied to dietary acylamide and permanently enjoined the AG from enforcing Proposition 65's warning. The court approved the negotiated settlement for attorneys' fees and costs.
- 2) *The Personal Care Products Council v. Bonta*—\$1.5 million settlement. This case was brought by the Personal Care Products Council seeking declaratory and injunctive relief, arguing that the Proposition 65 warning requirement for airborne titanium dioxide in cosmetic and personal care products violates its members' First Amendment rights because the warnings were controversial and misleading. The court granted summary judgment, permanently enjoining the AG from enforcing Proposition 65's warning requirement for airborne titanium dioxide in cosmetics and personal care products, and declaring the warning requirement unconstitutional as applied to airborne titanium dioxide. To avoid further litigation, the parties entered into a settlement agreement pursuant to which the AG will pay \$1,500,000 in full satisfaction of PCPC's demand for fees and costs, and PCPC will waive all pre- and post-judgment interest. The settlement payment is contingent upon approval by DOF, the AG, and the State Legislature, as specified.
- 3) *Junior Sports Magazines Inc., et al. v. Bonta*—\$900,000 settlement. The plaintiffs brought a facial and as-applied constitutional challenge to a California Business and Professions Code section prohibiting firearm industry members from marketing firearm-related products in a manner that is designed, intended, or reasonably appears to be attractive to minors. The district court denied the plaintiffs' motion for preliminary injunction but the plaintiffs prevailed in their appeal, where the Ninth Circuit held that they were likely to prevail on their free speech claim. The court held that the statute was a violation of the right to commercial speech under the First Amendment. The district court formally

adopted the terms of the negotiated settlement agreement for the attorneys' costs and fees.

- 4) *Catholic Medical Mission Board, Inc. v. The Attorney General of the State of California; Registrar of the Registry of Charitable Trusts—\$595,954.03 settlement; Food for the Poor, Inc. v. The Attorney General of the State of California; Registrar of the Registry of Charitable Trusts—\$291,731.35 settlement.* These cases were brought by the plaintiffs against the AG seeking declaratory relief for review of the AG's administrative decisions against charitable organizations alleging that their charitable solicitations were misleading to donors and potentially violated generally accepted accounting principles (GAAP) principles. In the administrative hearing, the charities won the GAAP argument as their ratios were not overstated but the AG proceeded to argue that the ratios were misleading to donors. After the charities petitioned the court for relief due to lack of evidence and first amendment concerns, and to avoid further litigation, the parties settled for the abovementioned amounts and the court prohibited the enforcement of Government Code sections 12591.1(b)(4) and 12599.6(f)(2).
- 5) *California Chaparral Institute, et al. v. Board of Forestry and Fire Protection—\$553,159.23 settlement, including interest.* The plaintiffs sued the Board to challenge the adequacy of their Environmental Impact Report related to the California Vegetation Treatment Program as it did not consider the adverse effects of type conversion, even though, they are aware of the increased wildfire danger. The appellate court found that the Board abused their discretion as they declined to make a written finding regarding the increased wildfire risk and concluded that Board must make appropriate steps to address the California Environmental Quality Act (CEQA) deficiencies. To avoid further litigation, the parties negotiated a settlement agreement for attorneys' fees and costs.
- 6) *Safari Club International, et al. v. Bonta—\$481,749.72 settlement.* Three sportsmen advocacy organizations brought a facial and as-applied constitutional challenge to a California Business and Professions Code section prohibiting fire-arm industry members from marketing firearm-related products to be attractive to minors. The AG simultaneously litigated and settled a similar, but separate constitutional challenge to the same statute, as noted in the *Junior Sports Magazines* case discussed above. The court held that the statute was a violation of the right to commercial speech under the First Amendment and ordered a permanent injunction against the statute's enforcement. The district court formally adopted the terms of the negotiated settlement for attorneys' fees

and costs by entering a stipulated judgment.

- 7) *Hoffman, et al. v. Bonta—\$165,000 settlement.* This case was about a non-resident's right to apply for a Concealed Carry Weapons (CCW) license in California and the court ruled that restricting a non-resident's right to apply violated the Second Amendment of the US Constitution. Since opening the application process to non-residents does not infringe on California's firearm regulatory powers and parameters for assessment, the court granted an injunction for the non-resident plaintiffs as of April 2025. The parties negotiated a settlement agreement to resolve the claim for attorneys' fees and costs, and to avoid further litigation regarding the reasonableness of the fee award. The court adopted the terms of the settlement in a stipulated judgment.
- 8) *California Rifle and Pistol Association, et al. v. Bonta—\$128,206.50 settlement.* Similar to the *Hoffman* case, this case also challenged non-California residents' inability to secure CCW licenses, arguing that it violates the Second Amendment, Equal Protection Clause of the Fourteenth Amendment, and the Privileges and Immunities Clause of Article IV of the U.S. Constitution. The court granted plaintiffs a preliminary injunction, and held that the State's assembled historical laws did not support the ban on non-resident applicants. The AG elected not to appeal, and instead the Legislature proposed and adopted a bill, AB 1078 (Berman, Chap. 570/2025, to create a path for non-residents to apply for CCW licenses. The parties eventually agreed to a conditional settlement that stayed the case while the Legislature considered AB 1078, and settled the case if the bill passed. The court adopted the stipulated judgment regarding attorneys' fees and costs, which included a dismissal of all other claims against the AG, and an automatic vacatur of the preliminary injunction upon entry of judgment.

FISCAL EFFECT: Appropriation: Yes Fiscal Com.: Yes Local: No

According to the Senate Appropriations Committee:

- One-time General Fund appropriation of \$2,775,000 to the AG in 2026-27 for the payment of claims, settlements or judgments against the state arising from *California Chamber of Commerce v. Bonta (United States District Court, Eastern District of California, Case No. 2:19-cv-02019-DJC-JDP)*.
- One-time General Fund appropriation of \$1.5 million to the AG in 2026-27 for the payment of claims, settlements or judgments against the state arising from

The Personal Care Products Council v. Bonta (United States District Court, Eastern District of California, Case No. 2:23-cv-01006-TLN-JDP).

- One-time General Fund appropriation of \$900,000 to the AG in 2026-27 for the payment of claims, settlements or judgments against the state arising from *Junior Sports Magazines Inc., et al. v. Bonta (United States District Court, Central District of California, Case No. 2:22-cv-04663-CAS-AYP).*
- One-time General Fund appropriation of \$887,685.38 to the AG in 2026-27, with \$595,954.03 available to the Catholic Medical Mission Board, and \$291,731.35 available to Food for the Poor, Inc., for the payment of claims, settlements or judgments against the state arising from *Catholic Medical Mission Board, Inc. v. The Attorney General of the State of California; Registrar of the Registry of Charitable Trusts (Los Angeles County Superior Court, Case No. 20STCP01520), and Food for the Poor, Inc. v. The Attorney General of the State of California; Registrar of the Registry of Charitable Trusts (Los Angeles County Superior Court, Case No. 20STCP01626).*
- One-time General Fund appropriation of \$553,159.23 to the AG in 2026-27 for the payment of claims, settlements or judgments against the state arising from *California Chaparral Institute, et al. v. Board of Forestry and Fire Protection (San Diego County Superior Court, Case No. 37-2020-00005203-CU-TT-CTL, Fourth District Court of Appeal, Case No. D083484).*
- One-time General Fund appropriation of \$481,749.72 to the AG in 2026-27 for the payment of claims, settlements or judgments against the state arising from *Safari Club International, et al. v. Bonta (United States District Court, Eastern District of California, Case No. 2:22-cv-01395-DAD-JDP).*
- One-time General Fund appropriation of \$165,000 to the AG in 2026-27 for the payment of claims, settlements or judgments against the state arising from *Hoffman, et al. v. Bonta (United States District Court, Southern District of California, Case No. 3:24-cv-00664-CAB-MMP).*
- One-time General Fund appropriation of \$128,206.50 to the AG in 2026-27 for the payment of claims, settlements or judgments against the state arising from *California Rifle and Pistol Association, et al. v. Bonta (United States District Court, Central District of California, Case No. 2:23-cv-10169-SPG-ADS).*

SUPPORT: (Verified 8/27/26)

None received

OPPOSITION: (Verified 8/27/26)

None received

ASSEMBLY FLOOR: 76-0, 8/10/26

AYES: Addis, Aguiar-Curry, Ahrens, Alanis, Alvarez, Ávila Farías, Bains, Bauer-Kahan, Bennett, Berman, Boerner, Bonta, Bryan, Calderon, Caloza, Carrillo, Castillo, Chen, Connolly, Davies, DeMaio, Dixon, Elhawary, Flora, Fong, Gabriel, Garcia, Gipson, Jeff Gonzalez, Mark González, Hadwick, Haney, Harabedian, Hart, Hoover, Irwin, Jackson, Johnson, Kalra, Krell, Lackey, Lee, Lowenthal, Macedo, McKinnor, Muratsuchi, Nguyen, Ortega, Pacheco, Papan, Patel, Patterson, Pellerin, Petrie-Norris, Quirk-Silva, Ransom, Celeste Rodriguez, Michelle Rodriguez, Rogers, Blanca Rubio, Sanchez, Schiavo, Schultz, Sharp-Collins, Solache, Soria, Stefani, Ta, Tangipa, Valencia, Wallis, Ward, Wicks, Wilson, Zbur, Rivas

NO VOTE RECORDED: Arambula, Ellis, Ramos

Prepared by: Mark McKenzie / APPR. / (916) 651-4101
8/30/26 14:08:08

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