

ASSEMBLY THIRD READING

AB 2599 (Bryan, et al.)

As Amended April 16, 2026

Majority vote

SUMMARY

Requires certain companies to verify, under the penalty of perjury, that they have searched their records to determine if the company, or any related entity, bought or sold persons subjected to slavery, used persons subjected to slavery as collateral, provided loans to purchase persons subjected to slavery, insured such transactions, or provided related or other services to facilitate those transactions.

Major Provisions

- 1) Finds and declares, among other things, the following:
 - a) Numerous American businesses across many industries reaped substantial profits by exploiting the uncompensated labor of enslaved persons, and that the intertwining economic interest across diverse industries highlight the extent to which slavery permeated American industry.
 - b) Many Californians are descendants of enslaved persons, and their ancestors were defined as property, grossly mistreated, and used as collateral for insurance policies, loans, and other transactions.
 - c) Documents show that during the slavery era insurance companies profited by providing coverage to slaveholders for damage to enslaved people, and some of these companies were the predecessors of existing insurance companies. Other companies that profited from slavery include not only insurance companies but financial service providers, textile companies, tobacco companies, shipping companies, railroad companies, the rice industry, the sugar industry, and other industries whose successors in interest remain in existence today.
 - d) The citizens of California are entitled to complete transparency regarding any involvement or profits acquired through slavery by companies seeking to conduct business in California. This disclosure is essential to ensure that the community is informed about historical connections and practices of companies operating in the state.
 - e) It is essential for corporations to recognize their historical connections to slavery and take responsibility for past actions that perpetuated harm, and actively engaging in efforts to redress harms demonstrate corporate commitment to fostering a more just and fair society.
 - f) The full disclosure of the facts and acknowledgment of the depth and scope of the participation in slaveholding and the slave trade and recognizing the dignity of enslaved persons promotes healing.
 - g) The purpose of this legislation is to promote investigation and disclosure of company or contractor records relating to slavery and to make records public available.

- 2) Requires every in-state entity, as defined, having annual worldwide gross receipts of \$100 million, to complete an affidavit, under penalty of perjury, verifying that it has searched through any and all records in its and its related entities' possession, control, and knowledge for records that the in-state entity or its related entities bought or sold persons subject to slavery, used persons subjected to slavery as collateral, provided loans to purchase persons subjected to slavery, insured such transactions or the persons subjected to slavery, or provided related or other services to aid or otherwise facilitate those transactions.
- 3) Defines "in-state entity" for purposes of 2) above to mean any business or enterprise within the state and defines "related entities" for these purposes to mean both of the following: parent entities or subsidiaries doing business in the state; and any predecessor in interest, regardless of whether that predecessor did business in the state.
- 4) Requires the affidavit to include specified information, including the names of each slave and slaveholder in the records; evidence of transactions that benefitted or otherwise profited from slavery in the United States; and, to the extent possible, records relating to insurance policies, purchase, sale, or lease of enslaved persons, the use of enslaved persons as collateral, and any other records evidencing participation in slaveholding or the slave trade. The affidavit shall include a statement verifying that the company has exercised due diligence to search through any and all records in its possession and in the possession of any related entities, as defined.
- 5) Requires the company to submit the affidavit by either January 1, 2027, or by July 1, 2027, as specified, to a department to be determined.
- 6) Requires the department identified in 5) above to do all of the following:
 - a) Provide by January 3, 2028, and annually thereafter, a report to the Legislature regarding the affidavits received during the prior calendar year.
 - b) Make all reports available to the public upon request.
 - c) Create, by January 3, 2028, a public digital platform that contains and makes accessible all affidavits and reports received; all reported information disaggregated by a variety of data points, including company type, multiyear review of data, company value, estimated value or revenue gained in the time period of the slavery-related transactions of data.
 - d) Update the information on the platform, as specified.
 - e) Ensure that all affidavits, reports, information, and data remain indefinitely on the digital platform.
- 7) Authorizes the California Attorney General to bring an action for injunctive relief for a violation of the bill's provisions and specifies that nothing in this bill limits remedies available for a violation of any other state or federal law.
- 8) Requires an in-state entity subject to this bill that bids on a contract with the state in the amount of \$100,000 or more to verify that they have complied with the provisions of this bill.

COMMENTS

This bill requires companies operating in California and having annual worldwide gross receipts that exceed \$100M to complete an affidavit, under penalty of perjury, verifying that it has searched its records, and those of any related entity, to determine whether they participated in or facilitated the business of slavery in the era of slavery. Existing law requires every retail seller and manufacturer doing business in this state and having annual worldwide gross receipts that exceed \$100,000,000 to disclose, as specified, its efforts to eradicate slavery and human trafficking from its direct supply chain. That existing requirement, however, only requires companies to disclose present efforts to eradicate present-day slavery, while this bill would require the company to conduct research into the company's historical records – including the records of any predecessor in interest – to identify ways that it might have profited from chattel slavery of the pre-Civil War period. The bill also requires a state agency to create a public digital platform containing the company affidavits, reported disclosures, and associated information. Finally, the bill amends an existing section of the Public Contracts Code to require a company seeking certain contracts with the state to verify that it has complied with the provisions of this bill. Currently, this section requires contract bidders to attest that they have complied with the Unruh Civil Rights Act and FEHA. They would now need to also attest that they had complied with this bill.

What is "due diligence?" The depth of any historical research can vary greatly. Historians spend years, and sometimes entire careers, conducting research. The companies subject to this bill will have less than two years to complete their work, so the amount of research required by this bill will necessarily reflect that reality. The bill requires the companies to search the records with "due diligence." The bill does not define this term, but Black's Law Dictionary defines "due diligence" as a "measure of prudence, activity, or assiduity, as is properly to be expected from, and ordinarily exercised by, a reasonable and prudent [person] under the particular circumstances." It is "not measured by any absolute standard but depends on the relative facts of the case." Here, "the particular circumstances" are the two year limit, the fact that businesses are not historians, and the fact that businesses cannot be expected to set aside the normal conduct of business to engage in research. Black's Law Dictionary distinguishes "due diligence" from "extraordinary diligence" and "great diligence," again suggesting that under the due diligence standard one is only required to do what a reasonably prudent person would do under the circumstances.

Presumably, where neither the company nor any of its related entities existed before 1865, and where there was no predecessor in interest operating before 1865, the company's affidavit could simply declare this fact. However, where companies either existed during the era of chattel slavery or could trace their companies to a predecessor in interest, the task could become more complex. Other obstacles to conducting this research may also emerge. For example, the bill requires companies to search not only their own records but also to search the records of any "related entities." This term is defined to include (1) parent companies and subsidiaries operating in the state; and (2) "predecessors in interest," regardless of whether they operate in this state. Many companies that existed before 1865 might not have records dating from that era, and companies that have a predecessor in interest may have difficulty accessing the records of a defunct company that operated in another state.

According to the Author

California does not currently require standardized disclosure of verified historical ties to slavery or related economic activity. As a result, information remains fragmented, inconsistent, or inaccessible to the public. Transparency regarding historical practices is essential to responsible governance and ethical business standards. . . AB 2599 focuses on transparency and accountability. If corporations benefited from slavery, the public deserves to know. This bill ensures we uncover those truths and make that information accessible to all Californians.

Arguments in Support

The Ella Baker Center for Human Rights (EBC) believes that AB 2599 is a "critical piece of legislation that builds on the work of the California Reparations Task Force." EBC explains further:

Corporations have a moral and ethical responsibility to conduct business practices in alignment with human rights. It is important that we acknowledge the financial benefit gained from businesses with historical ties to human trafficking and slavery. This legislation is building on current disclosure laws and transparency efforts like the California Transparency in Supply Chains Act (CTSCA), which already requires certain companies to disclose their efforts to eradicate slavery and human trafficking from their supply chains. Current disclosure laws primarily focus on modern-day slavery, but transparency about historical practices is also essential for informed public dialogue, responsible governance, and ethical business standards.

We believe that reparations for descendants of U.S. chattel slavery and the larger African American community as a group begin with naming and admitting the harm done. This is in accordance with the principle of Satisfaction as defined by the United Nations (UN), which requires acknowledgment, public disclosure, and apology for the harm. Harm cannot be repaired unless and until one acknowledges that it occurred. AB 2599 supports the ongoing historical effort in California to tell true history and acknowledge the historical and ongoing impacts of slavery.

Arguments in Opposition

A coalition of groups representing the insurance industry support the aims of this bill but seek an amendment exempting them from the new requirement if they have already complied with SB 2199. They point out that "SB 2199 resulted in a comprehensive report to the Legislature and the public. The findings were compiled and published by the California Department of Insurance, and the report remains publicly available on the Department's website today. As a result of that statutory process, insurers have already complied with California law requiring disclosure of historical slave-era insurance policies." To avoid duplication, they propose adding a subdivision (e) in section 1744.44 to read as follows:

(e) Compliance by an insurance company with California Insurance Code Division 3, Chapter 5, Slavery Era Insurance Policies, Section 13810 et seq. shall be deemed full compliance with this section.

FISCAL COMMENTS

According to the Assembly Appropriations Committee:

- 1) Possible costs (General Fund, special funds) to the Department of Justice (DOJ) of an unknown amount. Actual costs will depend on whether the Attorney General pursues enforcement actions, and, if so, the level of additional staffing DOJ needs to handle the related workload. If DOJ hires staff to handle enforcement actions authorized by this bill, the department would incur significant costs, likely in the low hundreds of thousands of dollars annually at a minimum. If DOJ does not pursue enforcement as authorized by this bill, the department would likely not incur any costs.
- 2) Cost pressures (Trial Court Trust Fund, General Fund) of an unknown but potentially significant amount to the courts to adjudicate civil enforcement actions authorized by this bill. Actual costs will depend on the number of cases filed and the amount of court time needed to resolve each case. It generally costs approximately \$1,000 to operate a courtroom for one hour. Although courts are not funded on the basis of workload, increased pressure on the Trial Court Trust Fund may create a demand for increased funding for courts from the General Fund. The state budget provides annual General Fund backfills to the Trial Court Trust Fund to offset revenue reductions, totaling approximately \$117.3 million in 2025-26.
- 3) Costs (General Fund) of an unknown but potentially significant amount to the state agency designated to administer the program to receive, review, and process affidavits from thousands of covered entities; maintain compliance tracking; produce annual legislative reports; and respond to public information requests. The bill as currently drafted does not identify the administering agency.

The Legislative Analyst's Office recently warned of General Fund structural deficits of around \$35 billion per year beginning in the 2027-28 fiscal year.

VOTES

ASM JUDICIARY: 9-3-0

YES: Kalra, Bauer-Kahan, Bryan, Connolly, Harabedian, Pacheco, Papan, Stefani, Zbur

NO: Macedo, Dixon, Sanchez

ASM APPROPRIATIONS: 11-2-2

YES: Wicks, Aguiar-Curry, Calderon, Caloza, Fong, Mark González, Krell, Pacheco, Pellerin, Sharp-Collins, Solache

NO: Dixon, Tangipa

ABS, ABST OR NV: Hoover, Ta

UPDATED

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CONSULTANT: Tom Clark / JUD. / (916) 319-2334

FN: 0002597