SENATE COMMITTEE ON APPROPRIATIONS
Senator Sabrina Cervantes, Chair
2025 - 2026 Regular Session

AB 2599 (Bryan) - Slavery: corporate disclosures

Version: April 16, 2026
Urgency: No
Hearing Date: August 3, 2026

Policy Vote: JUD. 11 - 1, PUB. S. 5 - 1
Mandate: Yes
Consultant: Bob Franzoia

Bill Summary: AB 2599 would require every in-state business entity with annual worldwide gross receipts exceeding $100 million to complete an affidavit, under penalty of perjury, verifying that it has searched its records and those of any related entity for evidence of historical participation in chattel slavery. The bill requires a state department (see Staff Comments), to be identified, to receive affidavits, report annually to the Legislature, and build and maintain a public digital platform containing the affidavits and related data indefinitely.

Fiscal Impact: Estimated $2.65 million in FY 2027-28 for personnel and $2.2 million in FY 2028-29 and annually thereafter to a state department for legal, administrative, research, and information technology personnel, including contract personnel and hardware associated with the requirements of the bill. (General Fund)

Possible costs to the Department of Justice (DOJ) of an unknown amount. Actual costs will depend on whether the Attorney General brings an action for injunctive relief. If DOJ does not pursue enforcement as authorized by this bill, the department would likely not incur costs (General Fund).

Cost pressures of an unknown but potentially significant amount to the courts. Actual costs will depend on the number of cases filed and the amount of court time needed to resolve each case (Trial Court Trust Fund, General Fund).

Proposed Law: Every in-state entity having annual worldwide gross receipts that exceed one hundred million dollars ($100,000,000) shall 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 subjected 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.

The bill provides that the Attorney General may bring an action for injunctive relief.

The bill would require an unspecified department to do all of the following:

Provide by January 3, 2028, a public digital platform.

Following creation of the database, make affidavits and reports received available on the platform within 30 days of receipt.

Update the platform with information required under 9) within 30 days that the new information and data are available.

Ensure that all affidavits, reports, information, and data remain indefinitely on the platform.

The public digital platform would be required to make all of the following available in an understandable and accessible manner:

A database of all affidavits and reports received, with the ability to view individual affidavits and reports.

All reported information disaggregated based on a variety of data points, including, but not limited to, all of the following:

Company type.

Multiyear review of data.

Company value.

Estimated value or revenue gained in the time period of the slavery-related transactions or business.

The bill adds to the list of certifications that must be made, under penalty of perjury, by a person that submits a bid or proposal, or otherwise proposes to enter or renew a contact with, a state agency with respect to any contract in the amount of $100,000 or more, that, if they are an in-state entity with annual worldwide gross receipts of over $100 million, they have submitted an affidavit in compliance, as specified.

Staff Comments: This bill adds Civil Code 1714.44 (b) (1) to read: (1) *"Department" means_______.*

There is no publicly available count of all entities doing business in the state across all industries. However, a useful benchmark exists from the California Transparency in Supply Chains Act (CTSCA).

Under the CTSCA, the Franchise Tax Board (FTB) identifies entities that are:

1. Doing business in California;

2. Have annual worldwide gross receipts exceeding $100 million; and

3. Are classified as retail sellers or manufacturers based on their California tax return.

The Attorney General has reported that the FTB's list identified approximately 1,700 companies likely subject to the CTSCA. This figure, however, does not represent all California businesses with more than $100 million in worldwide gross receipts, because it excludes high-revenue businesses outside the retail and manufacturing sectors (such as many technology, financial services, professional services, healthcare, and other companies).

For a broader estimate:

1. California has more than 1.8 million private-sector businesses, but only a small fraction generate more than $100 million annually.

2. A reasonable rough estimate is that several thousand California business entities have worldwide gross receipts above $100 million, likely in the range of 5,000–10,000 entities, although no state agency appears to publish an exact figure.

3. The number of entities meeting the threshold for a specific regulatory purpose (for example, CTSCA or climate disclosure laws) may be substantially smaller because those laws apply only to defined categories of businesses.

Proposed Author Amendments: The author has suspense file amendments which would specify that "Department" means *the Civil Rights Department*.

A second amendment would, on page 6, between lines 18 and 19, insert:

(4) An insurance company that submitted documentation to the Department of Insurance pursuant to Chapter 5 (commencing with Section 13810) of Division 3 of the Insurance Code may include that documentation as part of the submission required by paragraph (2).