

SENATE THIRD READING

SB 577 (Laird and Allen)

As Amended July 9, 2025

Majority vote

SUMMARY

Revises several provisions of existing law related to the civil procedures governing claims for childhood sexual assault claims against public entities, and modifies the procedures for local agencies that issue public debt obligations.

Major Provisions

- 1) Eliminates a plaintiff's ability to recover treble damages in a civil action related to child sexual assault if the defendant is a public entity.
- 2) Prohibits, upon a dismissal without prejudice, the refiling of the following actions if five years or more have passed from the original filing date of such action:
 - a) An action for liability against any person or entity who owed a duty of care to the plaintiff, if a wrongful or negligent act by that person or entity was a legal cause of the childhood sexual assault that resulted in the injury to the plaintiff; or
 - b) An action for liability against any person or entity if an intentional act by that person or entity was a legal cause of the childhood sexual assault that resulted in the injury to the plaintiff.
- 3) Provides that in an action for recovery of damages suffered as a result of childhood sexual assault that occurred before January 1, 2024, the time for commencement of the action must be within 22 years of the date the plaintiff attains the age of majority or within three years of the date the plaintiff discovers or reasonably should have discovered that psychological injury or illness occurring after the age of majority was caused by the sexual assault, whichever period expires later.
- 4) Requires, if a certificate of merit is required to be filed in order to proceed with a claim for childhood sexual assault, that the certificate be filed concurrently with the complaint, and prohibits the clerk of the court from accepting such a complaint without the certificate of merit.
- 5) Requires a plaintiff who files an action related to childhood sexual assault at 40 years of age or older against a public entity or one of its employees or agents to prove that the public entity or its employee or agent acted with gross negligence to establish liability.
- 6) Requires a court hearing in an action against a public entity or one of its employees or agents for childhood sexual assault, upon a motion for remitter, to consider the following:
 - a) The mission of the public entity to provide public services and how the damages may impact that entity's mission given its economic status;
 - b) Whether the amount awarded is compensatory for the plaintiff's harm;

- c) Whether the amount awarded is acting as a substitute for or functional equivalent of punitive damages;
 - d) The severity of the harm to the plaintiff; and
 - e) The egregiousness of the defendant's conduct.
- 7) Authorizes a court in a childhood sexual assault action against a public entity or one of its employees or agents to issue a remittitur that conditions affirmance of the judgment on the plaintiff's consent to a reduction to the judgment and to structure the damages to be paid over time.
- 8) Requires that, notwithstanding any other provision of law, any civil action filed against the County of Los Angeles, arising out of conduct that would constitute childhood sexual assault and that allegedly occurred at, by, or under the supervision of the MacLaren Children's Center in Los Angeles County or any juvenile probation facility or detention center operated by the Los Angeles County Probation Department that was closed on or before January 1, 2020, to be commenced on or before January 1, 2026.
- 9) Bars all claims specified in 8) from proceeding if an action is not filed on or before January 1, 2026.
- 10) Provides that the provisions of 8) and 9) do not apply to claims for which a final settlement agreement has been reached prior to the effective date of this bill.
- 11) Prohibits the disbursement of settlement funds to any claims brought in accordance with 8) by a claimant 40 years of age or older, unless and until the claimant has complied with the certificate of merit requirements in existing law.
- 12) Adds to the list of depository actions that may entitle a defendant in a claim brought pursuant to the Government Claims Act all reasonable and necessary defense costs if the court determines that the underlying proceeding was not brought in good faith and without reasonable cause the following:
- a) Objection by demurrer; and
 - b) Judgments on the pleadings.
- 13) Provides that nothing in the bill makes the State of California liable for any payments, as defined, and does not obligate the State of California or any county to make available the sources of apportionment in any amount or at any time or, except as provided, to fund any payment described in those sections.

COMMENTS

A significant body of evidence notes that persons who experience traumatic events as children, including sexual assault, often repress these memories only to rediscover the root of their trauma as adults. As a result of repressed memories, many survivors of childhood sexual assault only acknowledge their abuse long after any applicable statute of limitations has expired. Recognizing these realities, in 2018, the Legislature greatly extended the statute of limitations for civil actions

seeking civil redress for this abuse. (AB 218 (Gonzalez) Chap. 861, Stats. 2018.) AB 218 also authorized treble damages against entities that were determined to have covered up abuses. The statute of limitations was wholly eliminated in 2023 with the passage of AB 452 (Addis) Chap. 655, Stats. 2023. Despite the overwhelming culpability that some local agencies, including school districts, had in permitting this abuse to occur and subsequently seeking to cover it up, these entities are now arguing that AB 218 and AB 452 are putting them in precarious financial circumstances. This bill seeks to provide some semblance of financial security to taxpayer-funded public entities, while not entirely denying victims their day in court. The bill in print is the product of significant compromise between stakeholders.

Many of the cases authorized to advance by AB 218 and AB 452 were aimed at local agencies and most notably, schools and youth detention facilities. These agencies began to complain to the Legislature regarding the significant financial exposure created by these bills. In response, the Legislature directed the County Office Fiscal Crisis and Management Assistance Team to consult with experts to provide recommendations on how best to support victims without collapsing the budgets of local agencies. (SB 153 (Committee on Budget and Fiscal Review) Chap. 38, Stats. 2024.) In January of this year, the Team released its findings and 22 policy recommendations. The recommendations suggested that the state mandate the reporting of claims to a statewide repository, update procedures to assist local agencies to finance legal obligations, examine how to provide emergency funds to school, study the creation of a victim's compensation fund, and improve future preventative measures. (*Childhood Sexual Assault: Fiscal Implications for California Public Agencies* (January 31, 2025) FCMAT, <https://www.fcmat.org/PublicationsReports/child-sexual-assault-fiscal-implications-report.pdf>.)

Although this bill seeks to implement some of the report's general suggestions, some local agencies have already been forced to deal with the financial impact of sexual assault claims. For example, Los Angeles County agreed to a \$4 billion settlement to resolve 6,800 sexual abuse claims. These claims, which date back to 1959, largely arose from the rampant abuse of juveniles detained at the MacLaren Children's Center, operated by the Los Angeles County Probation Department. While the \$4 billion settlement total is unprecedented, so was the decades long failure of Los Angeles County to police its own staff and protect children placed in the county's care.

The first series of reforms proposed by this bill aim to lessen the impact of some of the most significant penalties levied against local agencies in childhood sexual assault claims, and to deter attorneys from bringing claims that lack sufficient evidentiary detail. First, this bill exempts public entities from the treble damage provisions of AB 218. The bill also prohibits any claim against a public entity that is dismissed without prejudice from being refiled if five years or more have passed from the original filing date. This provision is designed to deter the filing, and subsequent refile, of cases lacking sufficient evidence to proceed. Given how many childhood sexual assault cases depend on historic records, a surprisingly large quantity of cases may not have sufficient evidence even five years after a claim is filed. The bill also modifies the timeline for filing claims for conduct occurring before 2024 to three years after discovery. Finally, this portion of the bill expands the scope of motions that dismiss cases that may trigger a plaintiff's attorney being forced to pay defense costs for actions that were not brought in good faith and without reasonable cause.

A particular area of focus of this measure is reforming how cases involving plaintiffs over the age of 40 are handled. As noted above, many childhood sexual assault cases are heavily

dependent on government records. The quality and accuracy of these records degrades significantly over time; thus, records for litigants over 40 years of age are, at times, plagued by gaps and omissions. To that end, existing law already requires a plaintiff 40 years of age or older at the time when the action is filed to submit a certificate of merit signed by both an attorney and licensed mental health professional, contending the case is reasonable and meritorious. The existing law requires the certificate to be filed within 60 days of filing the complaint. Seeking to cut down on the number of aging cases without complete records and not supported by the findings of a mental health professional, this bill requires the certificate to be filed at the time the case is filed with the court. The bill prohibits the clerk of the court from accepting a filing without the certificate, even if the statute of limitations is about to expire. This provision is one of the strictest reforms for survivors that is being adopted at the behest of local agencies. The existing law was designed to permit cases to be filed close to the expiration of the statute of limitations, even if the certificate of merit was not complete at the time the case was filed. However, local agencies contend that courts are rarely enforcing the 60-day timeline for submitting the certificate in existing law. The local agencies contend the strict new rules are necessary. Additionally, this bill enhances the burden of proof on plaintiffs over the age of 40. While childhood sexual assault cases are currently judged by a negligence standard, this bill would require plaintiffs over 40 to prove that the public entity or its employee or agent acted with *gross negligence* to establish liability. This requires older plaintiffs to prove that the public entity acted with a reckless disregard for the plaintiff's safety. Again, the public entities contend the enhanced standard is necessary to account for the gaps in official records that typically accompany the evidentiary record for older plaintiffs.

While most of this bill applies to claims against all public entities, given the massive settlement Los Angeles County reached with survivors of the horrors of the MacLaren Children's Center, this bill provides one provision specific to that case. Given that the overwhelming majority, if not all, cases involving the MacLaren Children's Center with adequate evidence to prove the County's culpability in the matter were resolved in the settlement, the County seeks assurances that the massive settlement fund will resolve its obligations on the matter. Accordingly, this bill bars all claims filed after January 1, 2026 arising from abuse at the MacLaren Children's Center and other facilities operated by the county probation department.

According to the Author

Incidents of sexual assault on children should never happen. The adults in these cases have failed these children – some of whom are now adults. These cases can leave lifelong impacts and scars that no amount of compensation can erase. Judgements and settlements arising from childhood sexual assault cases are having fiscal impacts on schools and public agencies, even risking fiscal insolvency in some instances. As we consider legislative proposals aimed at ensuring the fiscal solvency of public agencies, it's crucial we prioritize justice for victims.

By providing additional legal and fiscal mechanisms for public agencies, Senate Bill 577 carefully balances the need to uphold victims' rights and ensure they are able to seek justice under the law and receive fair compensation for the harm they have endured, while also safeguarding the fiscal stability of public agencies—such as school districts, cities, and counties—so they can continue delivering essential services to the communities they serve.

Arguments in Support

This bill is supported by the California Alliance for Children and Family Services and the County of Monterey. The California Alliance for Children and Family Services state in support of this bill:

Our members provide behavioral health care, child welfare services, and trauma-informed supports through contracts with public entities such as counties. These partnerships are essential to meeting the needs of vulnerable youth, but they are increasingly at risk due to mounting liability exposure stemming from historical childhood sexual assault cases.

Many of these cases involve incidents from decades ago, where key records are missing and former insurers are nonoperational or untraceable. As a result, public agencies are left to bear the full financial burden, which threatens their ability to fund core services. When those agencies are destabilized, the impact is felt directly by the community-based organizations that work in partnership with them and by the children and families who depend on those services. Without this bill and others like it, rising liability risks could lead to reduced service availability, workforce cuts, or contract terminations.

SB 577 takes an important step toward addressing this issue by placing a five-year limit on the refiling of dismissed claims. This is a practical and narrowly tailored provision that provides legal finality and predictability, while still preserving survivors' access to justice. By establishing a reasonable timeframe for refiling, the bill helps protect essential public services and nonprofit providers from indefinite legal exposure, ensuring they can continue to focus on supporting children and families. The bill also provides mechanisms that enable public agencies to proactively manage risk through cost recovery and validation proceedings, tools that enhance legal clarity and stability without compromising accountability. SB 577 reflects a balanced approach that maintains victims' rights while also protecting the long-term operational capacity of the public agencies and service providers our communities rely on.

Arguments in Opposition

The Children's Law Center of California opposes this measure along with several other victims rights organizations. These groups believe this bill will deny assault survivors their rightful day in court. In opposition the Children's Law Center writes:

We have serious concerns about the impact this bill will have on our current and former clients, many of whom experienced abuse while in custodial facilities and are only now beginning to process and understand the trauma they endured. We are particularly concerned by the language in Code of Civil Procedure Section 341.95, including:

The January 1, 2026 cutoff date for filing claims, which unfairly restricts access to justice for survivors who are still coming to terms with their experiences. Procedurally, SB 577 would not go into effect until January 1, 2026, which would result in possible victims being provided with no notice that their claims would now be barred.

The exclusion of claims arising from any juvenile probation facility or detention center operated by the Los Angeles County Probation Department that was closed on or before January 1, 2020. This provision immunizes institutions from liability based solely on facility closure—denying survivors a path to accountability based on an arbitrary operational status.

While we recognize the fiscal and operational concerns public entities face, true public safety, and healing demand that we center survivors—not institutional liability protection. Shielding counties from accountability because a facility has closed sends a dangerous message: that time and bureaucracy matter more than truth and justice.

This bill is also opposed by the California Association of Joint Powers Authorities. The bill is also opposed unless amended by representatives of school boards and school districts. These opponents contend the bill does not sufficiently shield the budgets of local agencies. In opposition the California Association of Joint Powers Authorities writes:

Many public agencies manage their liability and risk obligations through joint powers authorities: not-for-profit risk pools funded entirely by local government contributions. These pools are not insurance companies with substantial capital reserves. Consequently, the liabilities created by AB 218 are often being paid directly from public funds that would otherwise support core services such as classroom instruction, fire protection, housing programs, and more.

The consequences of AB 218 continue to ripple across the state. Even agencies without any claims have seen drastic increases in insurance premiums, reduced coverage limits, and more restrictive underwriting. These trends leave public entities increasingly exposed, unable to secure adequate liability protection, and struggling to deliver the services Californians depend on.

We urge this committee to reject SB 577 as in print. It does not address the unchecked diversion of limited public funds into litigation, taking away from programs that directly benefit children and families. Instead, we believe it is possible to advance survivor support and child safety without jeopardizing the financial future of our schools and local governments. We seek an opportunity to collaborate on genuine reforms—ones that include aggressive and elective abuse prevention, accompanied by fair and reasonable victim compensation that recognizes the funding comes from limited public dollars

FISCAL COMMENTS

According to the Assembly Appropriations Committee:

- 1) Unknown fiscal impacts on the courts. This bill makes numerous procedural changes that apply to civil actions alleging childhood sexual abuse against public entities. As noted below, thousands of these actions have been initiated in recent years against public entities. It is not clear how the bill's many changes will impact court workload; some changes may reduce the number of cases before the courts and therefore reduce workload, while others may add workload, such as providing court with review authority over specified awards. 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 fiscal year 2025-26 state budget provides \$82 million ongoing General Fund to the Trial Court Trust Fund for court operations.
- 2) Cost pressures (General Fund) of an unknown but likely significant amount due to the extension of the repayment period for specified emergency apportionments. While an extended repayment period may enable a school district to better balance annual debt service

and other fiscal obligations, it will likely result in lower annual payments to the General Fund, making less revenue available for other purposes and increasing pressure on the fund.

- 3) Costs (General Fund) of an unknown but potentially significant amount to the State Controller to oversee additional apportionments and revenue transfers authorized by this bill.
- 4) Minor and absorbable costs to the Department of Finance (DOF) to consult with county superintendents and the Fiscal Crisis and Management Assistance Team (FCMAT) and determine repayment terms, though DOF notes it expects the frequency for emergency apportionment loans to increase in the future.
- 5) Costs (General Fund) of an unknown amount to the Department of Education to provide input to DOF on emergency apportionments.

VOTES

SENATE FLOOR: 35-0-5

YES: Allen, Archuleta, Arreguín, Ashby, Becker, Blakespear, Cabaldon, Caballero, Choi, Cortese, Dahle, Durazo, Gonzalez, Grayson, Grove, Hurtado, Jones, Laird, McGuire, McNerney, Niello, Ochoa Bogh, Padilla, Pérez, Richardson, Rubio, Seyarto, Smallwood-Cuevas, Stern, Strickland, Umberg, Valladares, Wahab, Weber Pierson, Wiener

ABS, ABST OR NV: Alvarado-Gil, Cervantes, Limón, Menjivar, Reyes

ASM JUDICIARY: 11-1-0

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

NO: Sanchez

ASM APPROPRIATIONS: 14-1-0

YES: Wicks, Arambula, Calderon, Caloza, Dixon, Elhawary, Fong, Mark González, Ahrens, Pacheco, Pellerin, Solache, Ta, Tangipa

NO: Sanchez

UPDATED

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