SENATE THIRD READING
SB 577 (Laird and Allen)
As Amended August 27, 2026
Majority vote

SUMMARY

Revises *numerous* provisions of existing law related to the civil procedures governing claims against public entities, *including those for childhood sexual assault, modifies local government training and recordkeeping statutes*, and modifies the procedures for local agencies that issue public debt obligations.

Major Provisions

1) *Provides that claims against public entity defendants for economic damages are to be several only and not be joint unless the public entity share of liability is found to exceed fifteen percent at fault.*

2) 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.

3) 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.

4) 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.

5) 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 *requires the certificate to contain specified attestations by the party filing the certificate.*

6) Requires a plaintiff who files an action**,** *on or after January 1, 2026,* related to childhood sexual assault at 40 years of age or older against a public entity or one of its employees or agents *to demonstrate with clear and convincing evidence that the public entity knew of the misconduct and that the public entity was negligent in discharging a mandatory duty.*

7) 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 *where the plaintiff is over 40 years of age*, 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.

8) Authorizes a *public entity to elect for the* court in a childhood sexual assault action to structure the damages to be paid over time.

9) Authorizes a $25,000 civil penalty to be imposed on any attorney that is found by a judicial officer to have brought or maintained a civil claim alleging childhood sexual assault in bad faith, as specified.

10) Requires that in any civil action under the Government Claims Act for express or implied indemnity or for contribution in any civil action, the court, upon motion of the defendant or cross-defendant to determine if the plaintiff, petitioner, cross-complainant, or intervenor brought the proceeding with reasonable cause and in the good faith belief that there was a justifiable controversy under the facts and law which warranted the filing of the complaint, petition, cross-complaint, or complaint or answer in intervention, and if the court finds that no such cause existed or that the action was brought in bad faith then the court must award as to the defense costs reasonably and necessarily incurred by the party or parties opposing the proceeding and render judgment in favor of the moving party.

11) Authorizes an Election to Participate in Intercept program to assist local agencies incurring civil liability with securing financing, refinancing, or refunding of a public debt obligation may, in accordance with this section, elect to provide for funding, in whole or in part, payments on the public debt obligation.

12) Requires, on or before December 1, 2027, a local governmental body and a local educational agency to each do both of the following:

a) Adopt codes of conduct and a sexual assault prevention plan that promote a safe environment for minors, consistent with specified legislative intent; and

b) Adopt written policies, plans, or specifications outlining how grooming and sexual abuse concerns and risks will be reported, as specified.

13) Requires the Department of Social Services to ensure that all children's residential facilities maintain program statements that address responses to reports of sexual abuse, grooming, sexual exploitation, trafficking, retaliation, or interference when sexual abuse is alleged or suspected.

14) Clarifies that local law enforcement agencies are to retain specified records related to a peace officer or custodial officer engaged in sexual assault involving a member of the public.

15) *Requires the Attorney General to investigate specified aspects of the Los Angeles County childhood sexual assault settlement.*

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 refiling, 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 *strengthens the requirements imposed on the contents of the certificate of merit that must be filed along with the complaint in childhood sexual assault cases.*

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 degrade significantly over time; thus, records for litigants over 40 years of age are, at times, plagued by gaps and omissions. To that end, *this bill provides that cases filed by plaintiffs 40 years of age or older against a public entity or one of its employees or agents to demonstrate with clear and convincing evidence that the public entity knew of the misconduct and that the public entity was negligent in discharging a mandatory duty.*

This measure also seeks to improve the training and recordkeeping requirements imposed on local agencies to prevent future sexual assaults by public employees and ensure that any cases that do occur are properly documented so that both the public entity and the victim can obtain fairly adjudicate claims. The bill also modifies how local agencies can bond for potential liability incurred as a result of these cases. Finally, the measure clarifies rules regarding joint and several liability for all civil actions filed against public entities to clarify that a public entity may only be held jointly liability if the entity is apportioned 15% or more of the overall liability.

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 Survivor Policy Coalition 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 Survivor Policy Coalition writes:

> California has been a national leader in expanding access to justice. When Governor Newsom signed AB 452 in 2023, eliminating the statute of limitations for child sexual assault, California aligned itself with President Biden′s Eliminating Limits to Justice for Child Sex Abuse Victims Act (2022) and joined other states like Alaska, Delaware, Maine, and Utah in removing arbitrary deadlines that silence survivors. To roll back that progress after just two years would be a betrayal.
>
> At a time when the world is learning how the survivors of Jeffrey Epstein were systematically silenced, California must not pass a bill that risks doing the same to survivors in our state. SB 577 is a blunt attempt to solve a fiscal challenge on the backs of the most vulnerable, people who have already had too much taken from them. Silencing survivors is not the answer.

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.

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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