

Date of Hearing: August 20, 2025

# ASSEMBLY COMMITTEE ON APPROPRIATIONS

Buffy Wicks, Chair

SB 771 (Stern) – As Amended July 10, 2025

Policy Committee:	Privacy and Consumer Protection	Vote:	11 - 1
	Judiciary		11 - 0

Urgency: No      State Mandated Local Program: No      Reimbursable: No

## SUMMARY:

This bill authorizes significant additional civil penalties for intentional and reckless violations of existing civil rights laws by large social media platforms.

Specifically, among other provisions, this bill:

- 1) Makes a large social media platform that violates specified civil rights laws through recommendation algorithms, or that aids, abets, acts in concert, or conspires in a violation of those laws, or is a joint tortfeasor in an action alleging a violation of those laws liable for the following civil penalties:
  - a) Up to \$1 million for an intentional, knowing, or willful violation.
  - b) Up to \$500,000 for a reckless violation.
- 2) Permits a court to award up to twice the amount of the penalties described in item 1 if the platform knew or should have known the plaintiff was a minor.
- 3) States that deploying an algorithm that relays content to users may be considered an act of the platform independent from the message of the content relayed.
- 4) Deems a platform to have actual knowledge of the operations of its own algorithms, including how and under what circumstances its algorithms deliver content to some users but not to others.

## FISCAL EFFECT:

- 1) Cost pressures (Trial Court Trust Fund, General Fund) of an unknown but potentially significant amount to the courts to adjudicate cases filed against large social media platforms. The significant new civil penalties authorized by the bill may prompt additional lawsuits that would not otherwise have been filed. 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 fiscal year 2025-26 state budget provides \$82 million ongoing General Fund to the Trial Court Trust Fund for court operations.

- 2) Possible costs (General Fund) to the Department of Justice (DOJ) to defend legal challenges to the bill. If DOJ hires legal staff to handle this workload, the department will incur significant costs, likely in the low hundreds of thousands of dollars annually at a minimum.

#### COMMENTS:

- 1) **Background.** This bill builds on three existing California civil rights laws: (a) the Ralph Civil Rights Act, which gives every person a right to be free from violence or threats of violence because of their actual or perceived protected characteristics; (b) Civil Code section 51.9, which allows a person to bring a civil lawsuit if they experience sexual harassment in certain business and professional contexts; and (c) the Bane Civil Rights Act, which prohibits interference with a person's constitutional or statutory rights through threats, intimidation, or coercion. These laws allow individuals to file civil lawsuits to enforce violations of their provisions, and specify remedies a court may order a defendant who commits a violation to provide to an individual who prevails in such a lawsuit.

This bill does not change these underlying civil rights laws, but provides additional civil penalties a court may order a large social media platform to pay if the platform violates the law through its algorithmic delivery of content to users or if the platform otherwise contributes to a violation of the law, as specified above.

- 2) **Purpose.** The author intends this bill to “clarify that social media platforms, like all other businesses, may not knowingly use their systems to promote, facilitate, or contribute to conduct that violates state civil rights laws.” According to the author:

Violence, threats, and intimidation targeting certain historically vulnerable populations – Jews, LGBTQ+ community members, women, immigrants, and people of color especially – are at historic highs and rising at record-shattering rates. A recent Harvard study found a causal relationship between widespread violence against historically target groups and the practices of social media platforms.

As discussed in detail in the analysis of this bill by the Assembly Committee on Judiciary, this bill will also likely prompt litigation over the limits of Section 230 of the federal Communication Decency Act. Courts have interpreted Section 230 as preempting state attempts to hold platforms liable for harms resulting from content hosted on social media sites. This bill, instead, attempts to hold platforms liable for the platform's own algorithmic and other contributions to violations of existing civil rights laws – not for the content itself. According to the policy committee:

SB 771 is clearly structured to present a strong challenge case. If successful, it could realign Section 230 immunity with its original intent—shielding platforms for third-party content, but not for platform-engineered systems that cause foreseeable and preventable harm.

The bill is co-sponsored by the Children's Advocacy Institute at the University of San Diego School of Law, the Consumer Federation of California, Jewish Family and Children's

Services of San Francisco, Rainbow Spaces, San Diego Democrats for Equality Executive Board, and Loma LGBTQA+ Alumni and Allies.

- 3) **Related Legislation.** AB 2 (Lowenthal) makes a large social media platform liable for statutory damages of up to \$1 million or three times the amount of actual damages if the platform fails to exercise ordinary care or skill by causing injury to a child. AB 2 is pending in the Senate Committee on Judiciary.

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