

Establish Proportionate Liability for Local Governments

Under California's joint and several liability rule, a city found just **1% at fault** can be forced to pay **100% of a plaintiff's economic damages**—when the other responsible co-defendants can't pay. Every dollar consumed by disproportionate liability judgments and inflated settlements is a dollar unavailable for community services that our residents rely on: police and fire protection, roads and infrastructure maintenance, parks, libraries, senior services and youth sports programs.

Establishing proportionate liability means that local governments named in lawsuits would be required to pay only their actual share of fault, as determined by the court. Not only is this more fair, but it would help to solve a rapidly escalating problem—a fiscal crisis of runaway liability costs for cities and other local government agencies that have limited taxpayer funding to provide much needed public services.



June 12, 2026

To Members of the Legislature:

On behalf of the Coalition to Protect Community Services, we write to express our strong support for meaningful tort reform in civil actions against public entities, consistent with the priorities of other local government organizations statewide.

Specifically, we support:

- Proportionate (several) liability for economic damages in civil actions against public entities, so that taxpayers pay only for the share of harm attributable to the public agency.
- Caps on damages in civil actions against public entities, ensuring that injured parties are fairly compensated, while also preserving the capacity to deliver essential public services.

Local governments across California are facing a growing liability crisis. In many cases, it is not a result of agencies improperly delivering services or mismanaging risk—but because the current legal framework systematically exposes public entities to liability far beyond their actual share of responsibility.

For cities and special districts, rising settlements and liability costs pose an existential threat to the services we provide. **Multi-million dollar claims against local agencies—arising from public roadways, sidewalks, public property, and routine government services—have increased sharply, and the rising costs are unsustainable.** Insurance premiums paid by local agencies have grown 370%, climbing from \$115 million in 2016 to \$541 million in 2025. And since 2019, public entity liability costs have more than tripled, now exceeding \$7 billion in known exposure.

When a local government agency faces a liability judgment, the cost is borne collectively by liability risk pools—meaning it is ultimately funded by the taxpayers of every member community across California—or directly by the local agency if it is not a member of a risk pool. Dollars spent defending and paying out lawsuits are dollars diverted from public safety, road maintenance, parks, and the core local services these agencies exist to provide.

We stand ready to work with the Legislature, the Administration, and all involved stakeholders to craft a practical and meaningful solution to this growing problem.

**Can we count on your support
to help safeguard essential public services?**

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