



STAFF REPORT

TO: THE HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL
MEETING DATE: AUGUST 3, 2026
FROM: ALEJANDRA ZAMBRANO, INTERIM CITY CLERK
SUBJECT: CONSIDERATION OF SUPPORT FOR LEGISLATIVE REFORMS
RELATED TO PUBLIC ENTITY TORT LIABILITY

RECOMMENDATION

Approve a motion authorizing the City Manager and the Mayor to support legislative reforms related to public entity tort liability by supporting Cal Cities efforts and letters to legislators.

BACKGROUND

The League of California Cities (Cal Cities) has joined a statewide coalition of public agencies, local governments, school districts, and risk management organizations advocating for legislative reforms related to public entity tort liability. Member cities have been invited to join the coalition's efforts by notifying Cal Cities of their interest in supporting the coalition letter and providing their city logo for inclusion in the coalition materials.

The coalition letter urges the California State Legislature to enact meaningful tort reform legislation intended to address increasing public entity liability costs while preserving public resources and maintaining accountability and access to justice for injured parties. The coalition outlines several proposed legislative reforms, including caps on damages in civil actions against public entities, proportional liability standards for economic damages, and heightened evidentiary and procedural standards in certain claims. Additional information is provided in the attached coalition letter.

DISCUSSION

The core issue highlighted in the attached letter is that “under California’s current liability structure, a public entity found just one percent at fault can be ordered to pay the entirety of a plaintiff’s economic damages — even when the overwhelming majority of fault lies with a criminal actor who has no assets to satisfy a judgment. The result is morally indefensible: perpetrators escape financial accountability for their conduct, while taxpayers — through their cities, counties, transit agencies, and school districts — are forced to pay for the harm that resulted. It allows perpetrators to walk away while public services are gutted to satisfy awards for conduct the public entity did not commit. The Legislature must restore proportional (several) liability for economic damages in actions against public entities, so that they are responsible only for the share of harm attributable to the public agency’s own conduct.”

Approve a motion establishing a City Position Supporting tort reform and authorize Staff to support Cal Cities efforts and send letters of support to state Legislators, signed by the Mayor when needed. By approving this motion, the City of Sutter Creek would join the statewide coalition supporting legislative reforms related to public entity tort liability.

BUDGET IMPACT

There is no direct fiscal impact associated with authorizing the City's participation in the Tort Reform Coalition Letter.

ATTACHMENTS

1. Tort Reform Coalition Letter dated July 17, 2026.