

RULES, ELECTIONS AND INTERGOVERNMENTAL RELATIONS COMMITTEE REPORT and RESOLUTION relative to establishing the City's position on legislative and/or administrative action that proposes beneficial wildfire or catastrophic event liability reforms.

Recommendation for Council action, pursuant to Resolution (Nazarian – Yaroslavsky),
SUBJECT TO THE CONCURRENCE OF THE MAYOR:

RESOLVE to include in the City's 2025-26 State and Federal Legislative Programs SUPPORT for any legislative and/or administrative action that proposes beneficial wildfire or catastrophic event liability reforms and/or a beneficial wildfire or broader perils fund.

Fiscal Impact Statement: None submitted by the Chief Legislative Analyst. The City Administrative Officer has not completed a financial analysis of this report.

Community Impact Statement: None submitted

Summary:

On August 4, 2026, your Rules, Elections and Intergovernmental Relations Committee considered a June 26, 2026 Resolution (Nazarian – Yaroslavsky), relative to legislative and/or administrative action that proposes beneficial wildfire or catastrophic event liability reforms. According to the Resolution, after the Pacific Palisades' wildfire, credit rating agencies downgraded the Department of Water and Power's (LADWP) credit rating noting that while LADWP had not been implicated as the cause of the wildfires, the increasing frequency and severity of highly destructive wildfires within LADWP's service territory and recent spread into more urban areas highlights the utility's potential vulnerability to financial liability claims that could eclipse its liquidity and insurance coverage even if no negligence is established. The California Legislature passed and on September 19, 2025, Governor Gavin Newsom signed Senate Bill (SB) 254, requiring the California Earthquake Authority, in its role as the Wildfire Fund Administrator, to prepare and submit a report (SB 254 Report). The SB 254 Report recommendations and approaches include that those individuals who suffer losses be justly compensated to rebuild in a timely manner, and also recognize potential wildfire liability reform and establishment of a new wildfire or broader perils fund, which could have financial impacts on the LADWP, its customers, and the City of Los Angeles. After consideration and having provided an opportunity for public comment, the Committee moved to recommend approval of the Resolution. This matter is now submitted to Council for its consideration.

Respectfully Submitted,

Rules, Elections, and Intergovernmental Relations Committee

COUNCILMEMBER VOTE

HARRIS-DAWSON: YES

RAMAN: ABSENT

YAROSLAVSKY: YES

SOTO-MARTINEZ: ABSENT

LEE: YES

RM

08/04/26

-NOT OFFICIAL UNTIL COUNCIL ACTS-