

AMENDED IN ASSEMBLY AUGUST 29, 2005

CALIFORNIA LEGISLATURE—2005—06 REGULAR SESSION

**ASSEMBLY BILL**

**No. 1363**

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**Introduced by Assembly Member Jones**

February 22, 2005

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~~An act to add Chapter 2.8 (commencing with Section 16190) to Part 4 of Division 9 of the Welfare and Institutions Code, relating to foster youth, and making an appropriation therefor. An act to amend Sections 87206 and 87207 of, and to add Section 87200.5 to, the Government Code, relating to public officials.~~

LEGISLATIVE COUNSEL'S DIGEST

AB 1363, as amended, Jones. ~~Foster Youth Credit Guarantee Program~~. *Public officials: financial duties.*

*Existing provisions of the Political Reform Act of 1974 require that certain public officers and employees, including the Governor, Lieutenant Governor, Controller, Treasurer, Secretary of State, Superintendent of Public Instruction, Attorney General, and Insurance Commissioner, file reports disclosing, among other matters, their investments, their interests in real property, and their sources of income of greater than a certain value, with specified content. These reports are required to include which of specified ranges of fair market value includes the actual value of each of these investments and interests.*

*This bill would narrow these ranges of fair market value, and would add additional ranges that include higher market valuations. It would also require each of the statewide elected officials listed above, before taking office, to place all of his or her investments and all of his or her interests in real property in a blind trust. With regard to these blind trusts, the bill would require the disclosure specified above, except*

*that with regard to any assets in the blind trust not known to the elected official, the disclosure would include the amount of income received from the trust, divided into categories of dividends, rents, interest, and capital gains, and the overall market value of the trust, as specified by the trustee.*

*Existing law makes a violation of the act subject to administrative, civil, and criminal penalties.*

*This bill would impose a state-mandated local program by exposing most persons required to report their investments and interests under the act to potential criminal penalties for failing to properly make the more detailed disclosures of fair market value specified above, and by requiring specified officials to place certain assets into a blind trust or face these penalties.*

*The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.*

*This bill would provide that no reimbursement is required by this act for a specified reason.*

*The Political Reform Act of 1974, an initiative measure, provides that the Legislature may amend the act to further the act's purposes with a  $\frac{2}{3}$  vote of each house and compliance with specified procedural requirements.*

*This bill, which would declare that it furthers the purposes of the act, would therefore require a  $\frac{2}{3}$  vote.*

~~Existing law provides services and programs for youth transitioning from foster care to independent living situations, including the Supportive Transitional Emancipation Program, and transitional housing services.~~

~~This bill would establish the Foster Youth Credit Guarantee Program, and would appropriate an unspecified amount from the General Fund to the Foster Youth Credit Guarantee Fund, also established by the bill, which would be continuously appropriated and used by the State Department of Social Services for purposes of administering the program. The fund would serve to cosign for, and guarantee against default by, recently emancipated foster youth entering into certain credit agreements, including, but not limited to, rental agreements, cellular phone accounts, and automobile loans. The bill would require the department to adopt regulations establishing eligibility requirements for the program, and standards regarding the~~

~~types and amounts of credit agreements that would be guaranteed under the fund.~~

Vote:  $\frac{2}{3}$ . Appropriation: ~~yes~~-no. Fiscal committee: yes.  
State-mandated local program: ~~no~~-yes.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section 87200.5 is added to the Government  
2 Code, to read:

3 87200.5. Notwithstanding any other provision of law, the  
4 Governor, Lieutenant Governor, Controller, Treasurer,  
5 Secretary of State, Superintendent of Public Instruction, Attorney  
6 General, and Insurance Commissioner shall each, before taking  
7 office, place all of his or her investments, and all of his or her  
8 interests in real property, that would be reportable under  
9 Sections 87206 and 87207 in a qualified blind trust as defined in  
10 paragraph (3) of subsection (f) of Section 102 of the Appendices  
11 to Title 5 of the United States Code. Investments so held shall be  
12 subject to disclosure under Article 2 (commencing with Section  
13 87200) of Chapter 7 of Title 9 if known to the public official, and  
14 with regard to those assets in the blind trust not known to the  
15 official, that disclosure shall include the amount of income  
16 received by the official from this trust, divided into categories of  
17 dividends, rents, interest, and capital gains, and the overall  
18 market value of the trust, as specified by the trustee.

19 SEC. 2. Section 87206 of the Government Code is amended to  
20 read:

21 87206. If an investment or an interest in real property is  
22 required to be disclosed under this article, the statement shall  
23 contain:

- 24 (a) A statement of the nature of the investment or *the* interest.
- 25 (b) The name of the business entity in which each investment
- 26 is held, and a general description of the business activity in
- 27 which the business entity is engaged.
- 28 (c) The address or other precise location of the real property.
- 29 (d) A statement whether the fair market value of the
- 30 investment or *the* interest in real property equals or exceeds two
- 31 thousand dollars (\$2,000) but does not exceed ten thousand
- 32 dollars (\$10,000), whether it exceeds ten thousand dollars
- 33 (\$10,000) but does not exceed *fifty thousand dollars (\$50,000)*,

1 *whether it exceeds fifty thousand dollars (\$50,000) but does not*  
2 *exceed one hundred thousand dollars (\$100,000), whether it*  
3 *exceeds one hundred thousand dollars (\$100,000) but does not*  
4 *exceed five hundred thousand dollars (\$500,000), whether it*  
5 *exceeds five hundred thousand dollars (\$500,000) but does not*  
6 *exceed one million dollars (\$1,000,000), ~~or~~ whether it exceeds*  
7 *one million dollars (\$1,000,000) but does not exceed five million*  
8 *dollars (\$5,000,000), whether it exceeds five million dollars*  
9 *(\$5,000,000) but does not exceed ten million dollars*  
10 *(\$10,000,000), or whether it exceeds ten million dollars*  
11 *(\$10,000,000).*

12 (e) In the case of a statement filed under Sections 87203 or  
13 87204, if the investment or interest in real property was partially  
14 or wholly acquired or disposed of during the period covered by  
15 the statement, the date of acquisition or disposal.

16 (f) For purposes of disclosure under this article, “interest in  
17 real property” does not include the principal residence of the filer  
18 or any other property which the filer utilizes exclusively as the  
19 personal residence of the filer.

20 *SEC. 3. Section 87207 of the Government Code is amended to*  
21 *read:*

22 87207. (a) When income is required to be reported under this  
23 article, the statement shall contain, except as provided in  
24 subdivision (b):

25 (1) The name and address of each source of income  
26 aggregating five hundred dollars (\$500) or more in value, or fifty  
27 dollars (\$50) or more in value if the income was a gift, and a  
28 general description of the business activity, if any, of each  
29 source.

30 (2) A statement whether the aggregate value of income from  
31 each source, or in the case of a loan, the highest amount owed to  
32 each source, was at least five hundred dollars (\$500) but did not  
33 exceed one thousand dollars (\$1,000), whether it was in excess of  
34 one thousand dollars (\$1,000) but was not greater than ten  
35 thousand dollars (\$10,000), whether it was greater than ten  
36 thousand dollars (\$10,000) but not greater than *fifty thousand*  
37 *dollars (\$50,000), whether it was greater than fifty thousand*  
38 *dollars (\$50,000) but was not greater than one hundred thousand*  
39 *dollars (\$100,000), ~~or~~ whether it was greater than one hundred*  
40 *thousand dollars (\$100,000) but not greater than five hundred*

1 *thousand dollars (\$500,000), whether it was greater than five*  
2 *hundred thousand dollars (\$500,000) but not greater than one*  
3 *million dollars (\$1,000,000), whether it was greater than one*  
4 *million dollars (\$1,000,000) but was not greater than five million*  
5 *dollars (\$5,000,000), whether it was greater than five million*  
6 *dollars (\$5,000,000) but was not greater than ten million dollars*  
7 *(\$10,000,000), or whether it was greater than ten million dollars*  
8 *(\$10,000,000).*

9 (3) A description of the consideration, if any, for which the  
10 income was received.

11 (4) In the case of a gift, the amount and the date on which the  
12 gift was received.

13 (5) In the case of a loan, the annual interest rate, the security,  
14 if any, given for the loan, and the term of the loan.

15 (b) When the filer's pro rata share of income to a business  
16 entity, including income to a sole proprietorship, is required to be  
17 reported under this article, the statement shall contain:

18 (1) The name, address, and a general description of the  
19 business activity of the business entity.

20 (2) The name of every person from whom the business entity  
21 received payments if the filer's pro rata share of gross receipts  
22 from that person was equal to or greater than ten thousand dollars  
23 (\$10,000) during a calendar year.

24 (c) When a payment, including an advance or reimbursement,  
25 for travel is required to be reported pursuant to this section, it  
26 may be reported on a separate travel reimbursement schedule  
27 which shall be included in the filer's statement of economic  
28 interest. A filer who chooses not to use the travel schedule shall  
29 disclose payments for travel as a gift, unless it is clear from all  
30 surrounding circumstances that the services provided were equal  
31 to or greater in value than the payments for the travel, in which  
32 case the travel may be reported as income.

33 *SEC. 4. No reimbursement is required by this act pursuant to*  
34 *Section 6 of Article XIII B of the California Constitution because*  
35 *the only costs that may be incurred by a local agency or school*  
36 *district will be incurred because this act creates a new crime or*  
37 *infraction, eliminates a crime or infraction, or changes the*  
38 *penalty for a crime or infraction, within the meaning of Section*  
39 *17556 of the Government Code, or changes the definition of a*

1 *crime within the meaning of Section 6 of Article XIII B of the*  
2 *California Constitution.*

3 *SEC. 5. The Legislature finds and declares that the provisions*  
4 *of this act further the purposes of the Political Reform Act of*  
5 *1974 within the meaning of subdivision (a) of Section 81012 of*  
6 *the Government Code.*

7 ~~SECTION 1. Chapter 2.8 (commencing with Section 16190)~~  
8 ~~is added to Part 4 of Division 9 of the Welfare and Institutions~~  
9 ~~Code, to read:~~

10  
11 ~~CHAPTER 2.8. FOSTER YOUTH CREDIT GUARANTEE PROGRAM~~  
12

13 ~~16190. This chapter shall be known and may be cited as the~~  
14 ~~Foster Youth Credit Guarantee Program.~~

15 ~~16191. (a) The Foster Youth Credit Guarantee Fund is~~  
16 ~~hereby created. Notwithstanding Section 13340 of the~~  
17 ~~Government Code, moneys in the fund shall be continuously~~  
18 ~~appropriated, without regard to fiscal years, to the State~~  
19 ~~Department of Social Services, for the purposes of this chapter.~~

20 ~~(b) The fund shall serve as a cosigner for, and guarantee~~  
21 ~~against default by, recently emancipated foster youth entering~~  
22 ~~into credit agreements, including, but not limited to, rental~~  
23 ~~agreements, cellular phone accounts, and automobile loans.~~

24 ~~(c) The department shall adopt regulations to implement this~~  
25 ~~chapter, including regulations establishing eligibility~~  
26 ~~requirements for the program, and standards regarding the types~~  
27 ~~of credit agreements and maximum amounts that shall be~~  
28 ~~guaranteed under the program.~~

29 ~~SEC. 2. The sum of \_\_\_\_\_ dollars (\$\_\_\_\_\_) is hereby~~  
30 ~~appropriated from the General Fund to the Foster Youth Credit~~  
31 ~~Guarantee Fund, which shall be used by the State Department of~~  
32 ~~Social Services in administering the Foster Youth Credit~~  
33 ~~Guarantee Program pursuant to Chapter 2.8 (commencing with~~  
34 ~~Section 16190) of Part 4 of Division 9 of the Welfare and~~  
35 ~~Institutions Code.~~

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