

AMENDED IN SENATE FEBRUARY 12, 2008
AMENDED IN ASSEMBLY JANUARY 23, 2008
CALIFORNIA LEGISLATURE—2007—08 REGULAR SESSION

ASSEMBLY BILL

No. 624

Introduced by Assembly Member Coto
(~~Coauthor: Assembly Member Dymally~~ Coauthors: Assembly
Members Dymally and Lieu)

February 21, 2007

An act to add Section 5081 to the Corporations Code, and to add Section 16065 to the Probate Code, relating to private foundations.

LEGISLATIVE COUNSEL'S DIGEST

AB 624, as amended, Coto. Foundations: diversity.

Existing law regulates the administration of nonprofit corporations and trusts that are deemed to be private foundations, as defined under federal tax law, and requires these private foundations to distribute their income for each taxable year so as not to subject the private foundation or its property to specified federal tax requirements. Existing law requires these entities to prepare specified annual reports.

This bill would require a private, corporate, or public operating foundation with assets over \$250,000,000 to collect specified ethnic, gender, and sexual orientation data pertaining to its governance and *domestic* grantmaking. The bill would require this information to include, ~~but not be limited to, the following:~~ the racial, *and* gender, ~~and sexual orientation~~ composition of the board of directors ~~or trustees~~ and ~~members~~ *staff* of the foundation, the number of grants *and percentage of grant dollars* awarded to ~~specified~~ organizations serving ethnic minority communities and lesbian, gay, bisexual, and transgender

communities, ~~and the number of grants and~~ percentage of grant dollars awarded to ~~specified~~ organizations where 50% or more of the board members ~~or staff~~ are ethnic minorities or are lesbian, gay, bisexual, or transgender, ~~and the number of grants and percentage of grant dollars awarded to predominantly low-income communities.~~ The bill would require a foundation to disclose this information via its Internet Web site, if available, and to include this information in its annual report, as specified.

Vote: majority. Appropriation: no. Fiscal committee: no.
 State-mandated local program: no.

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

1 SECTION 1. Section 5081 is added to the Corporations Code,
 2 to read:
 3 5081. (a) Notwithstanding any other provision of law, a
 4 corporation, during any period or periods that it is deemed to be
 5 a private, corporate, or public operating foundation, shall collect
 6 the following information:
 7 (1) The racial composition of its board of directors, including
 8 the percentage of board members that are African-American,
 9 Asian-American, Pacific Islander, Caucasian, Latino, Native
 10 American, and Alaskan Native.
 11 (2) The gender composition of its board of directors, including,
 12 the percentage of board members who are male and female.
 13 ~~(3) The sexual orientation composition of its board of directors,~~
 14 ~~including the percentage of board members who are lesbian, gay,~~
 15 ~~bisexual, and transgender people.~~
 16 ~~(4)~~
 17 (3) The racial composition of the foundation’s staff, including
 18 the percentage of staff members that are African-American,
 19 Asian-American, Pacific Islander, Caucasian, Latino, Native
 20 American, and Alaskan Native.
 21 ~~(5)~~
 22 (4) The gender composition of the foundation’s staff, including
 23 the percentage of staff who are male and female.
 24 ~~(6) The sexual orientation composition of the foundation’s staff,~~
 25 ~~including the percentage of staff who are lesbian, gay, bisexual,~~
 26 ~~and transgender people.~~
 27 ~~(7)~~

1 (5) The percentage of business contracts awarded to businesses
2 owned by African-Americans, Asian-Americans, Pacific Islanders,
3 Caucasians, Latinos, Native Americans, Alaskan Natives, and
4 lesbian, gay, bisexual, or transgender people.

5 ~~(8)~~

6 (6) The number of grants awarded to organizations serving
7 African-American, Asian-American, Pacific Islander, Caucasian,
8 Latino, Native American, and Alaskan Native ~~Communities~~
9 *communities*, and lesbian, gay, bisexual, and transgender
10 communities.

11 ~~(9)~~

12 (7) The percentage of grant dollars awarded to organizations
13 serving African-American, Asian-American, Pacific Islander,
14 Caucasian, Latino, Native American, and Alaskan Native
15 ~~Communities~~ *communities*, and lesbian, gay, bisexual, and
16 transgender communities.

17 ~~(10)~~

18 (8) The number of grants awarded to organizations where 50
19 percent or more of the board members are ethnic minorities or are
20 lesbian, gay, bisexual, or transgender people.

21 ~~(11)~~

22 (9) The percentage of grant dollars awarded to organizations
23 where 50 percent or more of the board members are ethnic
24 minorities or are lesbian, gay, bisexual, or transgender people.

25 ~~(12)~~

26 (10) The number of grants awarded to organizations where 50
27 percent or more of the staff are ethnic minorities or are lesbian,
28 gay, bisexual, or transgender people.

29 ~~(13)~~

30 (11) The percentage of grant dollars awarded to organizations
31 where 50 percent or more of the staff are ethnic minorities or are
32 lesbian, gay, bisexual, or transgender people.

33 (12) *The number of grants awarded to predominantly*
34 *low-income communities.*

35 (13) *The percentage of grant dollars awarded to predominantly*
36 *low-income communities.*

37 (b) The information collected pursuant to subdivision (a) shall
38 be posted on the foundation's Internet Web site, if available, and
39 included in its annual report in a section labeled "DIVERSITY."

1 (c) This section shall only apply to foundations with assets over
2 two hundred fifty million dollars (\$250,000,000) *and shall apply*
3 *only to a foundation’s domestic grants.*

4 (d) For purposes of this section, “organization” means an
5 organization described in Section 501(c)(3) of the Internal Revenue
6 Code.

7 SEC. 2. Section 16065 is added to the Probate Code, to read:

8 16065. (a) Notwithstanding any other provision of law, a trust,
9 during any period or periods that it is deemed to be a private,
10 corporate, or public operating foundation, shall collect the
11 following information:

12 (1) The racial composition of its board of trustees or directors,
13 including the percentage of board members that are
14 African-American, Asian-American, Pacific Islander, Caucasian,
15 Latino, Native American, and Alaskan Native.

16 (2) The gender composition of its board of trustees or directors,
17 including, the percentage who are male and female.

18 ~~(3) The sexual orientation composition of its board of trustees~~
19 ~~or directors, including the percentage of the board of trustees or~~
20 ~~directors who are lesbian, gay, bisexual, and transgender people.~~

21 ~~(4)~~

22 (3) The racial composition of the charitable trust or foundation’s
23 staff, including the percentage of staff members that are
24 African-American, Asian-American, Pacific Islander, Caucasian,
25 Latino, Native American, and Alaskan Native.

26 ~~(5)~~

27 (4) The gender composition of the charitable trust or
28 foundation’s staff, including the percentage who are male and
29 female.

30 ~~(6) The sexual orientation composition of the charitable trust~~
31 ~~or foundation’s staff, including the percentage of staff who are~~
32 ~~lesbian, gay, bisexual, and transgender people.~~

33 ~~(7)~~

34 (5) The percentage of business contracts awarded to businesses
35 owned by African-Americans, Asian-Americans, Pacific Islanders,
36 Caucasians, Latinos, Native Americans, Alaskan Natives, and
37 lesbian, gay, bisexual, or transgender people.

38 ~~(8)~~

39 (6) The number of grants awarded to organizations serving
40 African-American, Asian-American, Pacific Islander, Caucasian,

1 Latino, Native American, and Alaskan Native ~~Communities~~
2 *communities*, and lesbian, gay, bisexual, and transgender
3 communities.

4 ~~(9)~~

5 (7) The percentage of grant dollars awarded to organizations
6 serving African-American, Asian-American, Pacific Islander,
7 Caucasian, Latino, Native American, and Alaskan Native
8 ~~Communities~~ *communities*, and lesbian, gay, bisexual, and
9 transgender communities.

10 ~~(10)~~

11 (8) The number of grants awarded to organizations where 50
12 percent or more of the board members are ethnic minorities or are
13 lesbian, gay, bisexual, or transgender people.

14 ~~(11)~~

15 (9) The percentage of grant dollars awarded to organizations
16 where 50 percent or more of the board members are ethnic
17 minorities or are lesbian, gay, bisexual, or transgender people.

18 ~~(12)~~

19 (10) The number of grants awarded to organizations where 50
20 percent or more of the staff are ethnic minorities or are lesbian,
21 gay, bisexual, or transgender people.

22 ~~(13)~~

23 (11) The percentage of grant dollars awarded to organizations
24 where 50 percent or more of the staff are ethnic minorities or are
25 lesbian, gay, bisexual, or transgender people.

26 (12) *The number of grants awarded to predominantly*
27 *low-income communities.*

28 (13) *The percentage of grant dollars awarded to predominantly*
29 *low-income communities.*

30 (b) The information collected pursuant to subdivision (a) shall
31 be posted on the foundation's Internet Web site, if available, and
32 included in its annual report in a section labeled "DIVERSITY."

33 (c) This section shall only apply to foundations with assets over
34 two hundred fifty million dollars (\$250,000,000) *and shall apply*
35 *only to a foundation's domestic grants.*

36 (d) For purposes of this section, "organization" means an
37 organization described in Section 501(c)(3) of the Internal Revenue
38 Code.

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