

AMENDED IN SENATE JUNE 29, 2010

AMENDED IN ASSEMBLY MAY 10, 2010

AMENDED IN ASSEMBLY APRIL 28, 2010

CALIFORNIA LEGISLATURE—2009—10 REGULAR SESSION

ASSEMBLY BILL

No. 2426

Introduced by Assembly Member Bradford

February 19, 2010

An act to add Part 7 (commencing with Section 7960) to Division 12 of the Family Code, relating to surrogacy facilitators.

LEGISLATIVE COUNSEL'S DIGEST

AB 2426, as amended, Bradford. Surrogacy facilitators.

Existing law defines "assisted reproduction" as conception by any means other than sexual intercourse, and "assisted reproduction agreement" as a written contract that includes a person who intends to be the legal parent of a child or children born through assisted reproduction and that defines the terms of the relationship between the parties to the contract.

This bill would regulate the practice of surrogacy facilitators, as defined, and would require a nonattorney surrogacy facilitator to direct his or her client to deposit client funds in an independent, bonded escrow account or a trust account maintained by an attorney, subject to specified withdrawal requirements.

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. Part 7 (commencing with Section 7960) is added
2 to Division 12 of the Family Code, to read:

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PART 7. SURROGACY FACILITATORS

6 7960. For purposes of this part, the following terms have the
7 following meanings:

8 (a) "Surrogacy facilitator" means a person or organization that
9 engages in either of the following activities:

10 (1) Advertising for the purpose of soliciting parties to an assisted
11 reproduction agreement or acting as an intermediary between the
12 parties to an assisted reproduction agreement.

13 (2) Charging a fee or other valuable consideration for services
14 rendered relating to an assisted reproduction agreement.

15 (b) "Nonattorney surrogacy facilitator" means a surrogacy
16 practitioner who is not an attorney in good standing licensed to
17 practice law in this state.

18 (c) "Assisted reproduction agreement" has the same meaning
19 as defined in subdivision (b) of Section 7606.

20 (d) "Fund management agreement" means the agreement
21 between the intended parents and the surrogacy facilitator relating
22 to the fee or other valuable consideration for services rendered or
23 that will be rendered by the surrogacy facilitator.

24 7961. (a) A nonattorney surrogacy facilitator shall direct the
25 client to deposit all client funds into either of the following:

26 (1) An independent, bonded escrow depository *maintained by*
27 *a licensed, independent, bonded escrow company.*

28 (2) A trust account maintained by an attorney.

29 (b) *For purposes of this section, a nonattorney surrogacy*
30 *facilitator may not have a financial interest in any escrow company*
31 *holding client funds. A nonattorney surrogacy facilitator and any*
32 *of its directors or employees shall not be an agent of any escrow*
33 *company holding client funds.*

34 ~~(b)~~

35 (c) Client funds may *only* be disbursed by the attorney or escrow
36 agent as set forth in the assisted reproduction agreement and fund
37 management agreement.

38 ~~(e)~~

- 1 (*d*) This section shall not apply to funds that are both of the
- 2 following:
- 3 (1) Not provided for in the fund management agreement.
- 4 (2) Paid directly to a medical doctor for medical services or a
- 5 psychologist for psychological services.

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