

AMENDED IN SENATE JUNE 15, 2014

AMENDED IN ASSEMBLY MAY 23, 2014

AMENDED IN ASSEMBLY APRIL 22, 2014

AMENDED IN ASSEMBLY MARCH 17, 2014

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

**ASSEMBLY BILL**

**No. 1658**

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**Introduced by Assembly Members ~~Jones-Sawyer, Chau, and Quirk-Silva~~ Jones-Sawyer and Chau**  
*(Principal coauthor: Assembly Member Quirk-Silva)*

February 12, 2014

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An act to ~~add Section 1785.11.7 to the Civil Code, and to amend Section 10618.6 of the Welfare and Institutions Code, relating to foster care.~~

LEGISLATIVE COUNSEL'S DIGEST

AB 1658, as amended, Jones-Sawyer. Foster care: consumer credit ~~reports: security freeze: reports.~~

*Existing federal law, the Child and Family Services Improvement and Innovation Act of 2011, requires that each child in foster care under the responsibility of the state who has attained 16 years of age receives without cost a copy of any consumer report pertaining to the child each year until the child is discharged from care, and receives assistance in interpreting and resolving any inaccuracies in the report.*

Existing law provides for child welfare services, which are public social services directed toward, among other purposes, protecting and promoting the welfare of all children, including those in foster care placement. Existing law declares the policy of the Legislature that all

children in foster care be free from abuse. Existing law requires a county welfare department, county probation department, or the State Department of Social Services to request a consumer credit disclosure on behalf of a child in a foster care placement in the county when the child reaches his or her 16th birthday, and each year thereafter while the child is under the jurisdiction of the juvenile court.

~~This bill would additionally require, if the child is found to have an active consumer credit report, the county social worker or probation officer to immediately notify the 3 major credit reporting agencies of the child's placement in foster care and request the placement of a freeze on the report, except as specified. The bill would require, if the child does not have an active consumer credit report, the county social worker or probation officer to provide the credit reporting agencies with information necessary to preclude the child from having a credit account created in his or her name, except as specified.~~

~~The bill would require a county welfare department or county probation department, upon entry into foster care of a child 10 to 15 years of age, inclusive, to notify each of the 3 major credit reporting agency that the child is in foster care, to discover whether the foster child has an active consumer credit report, and, if there is an active report, to immediately require that the credit reporting agencies place a freeze on the child's report and to work with the Department of Justice's Privacy Enforcement and Protection Unit to resolve any credit irregularities or negative actions that have been discovered. By imposing new duties on county officials, the bill would impose a state-mandated local program.~~

~~The bill would require the department, no later than July 1, 2015, and in consultation with specified entities, to issue instructions to counties via an all-county letter or similar instruction to do specified things, including providing the circumstances under which a freeze of a foster child's credit report is lifted.~~

~~Existing law, the Consumer Credit Reporting Agencies Act, defines and regulates consumer credit reports and permits a consumer to place a security freeze, defined as a notice placed in a consumer's credit report, at the request of the consumer, and subject to certain exceptions, that prohibits the consumer credit reporting agency from releasing the consumer's credit report or any information from it without the express authorization of the consumer, on his or her credit report by making a request in writing by certified mail to a consumer credit reporting agency.~~

~~This bill would require, after notification of placement by a county welfare or probation department and upon request of the department, a consumer credit reporting agency to, among other things, notify the county welfare or probation department of whether the child has an active consumer credit record and place a security freeze on the credit report of a child placed in foster care if the child is found to have an active consumer credit record.~~

~~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, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions:~~

~~*This bill would require all counties and the State Department of Social Services to be in full compliance with these provisions and the federal act by July 1, 2015, and would require the State Department of Social Services to, by January 1, 2016, submit a report to the Legislature that identifies the counties that are in compliance with these provisions and the federal act, and the counties that are not in compliance.*~~

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

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

1 SECTION 1. ~~Section 1785.11.7 is added to the Civil Code, to~~  
2 ~~read:~~

3 1785.11.7. (a) ~~In furthering the policy of the State of California~~  
4 ~~that children in foster care have the right to a life that is free from~~  
5 ~~abuse, following notification by a county welfare or probation~~  
6 ~~department of the placement of a child 10 to 15 years of age,~~  
7 ~~inclusive, into foster care pursuant to Section 10618.6 of the~~  
8 ~~Welfare and Institutions Code, a consumer credit reporting agency,~~  
9 ~~upon request of the county welfare or probation department, shall~~  
10 ~~do all of the following:~~

11 (1) ~~Notify the county welfare or probation department of~~  
12 ~~whether the child placed in foster care has an active consumer~~  
13 ~~credit record.~~

1 ~~(2) If the child is found to have an active consumer credit record,~~  
2 ~~place a security freeze on the child's credit report pursuant to~~  
3 ~~Section 1785.11.2.~~

4 ~~(3) If the child is not found to have an active consumer credit~~  
5 ~~report, preclude the child's information from being used to create~~  
6 ~~a credit account in his or her name.~~

7 ~~(b) This section does not apply to a check services company, a~~  
8 ~~fraud prevention services company, or a deposit account~~  
9 ~~information service company in accordance with Section 1785.11.6.~~

10 ~~SEC. 2.~~

11 *SECTION 1.* Section 10618.6 of the Welfare and Institutions  
12 Code is amended to read:

13 ~~10618.6. (a) (1) The Legislature finds and declares that~~  
14 ~~children in foster care are at greater risk of identity theft and having~~  
15 ~~negative findings placed on their consumer credit report due to the~~  
16 ~~unlawful actions of others. The Legislature further recognizes that~~  
17 ~~a child's consumer credit report is more vulnerable while in foster~~  
18 ~~care, and a child in foster care is more likely to not discover he or~~  
19 ~~she is a victim of identity theft until he or she applies for a job,~~  
20 ~~opens a financial account, or is notified by law enforcement that~~  
21 ~~his or her personal information has been stolen.~~

22 ~~(2) In order to help reduce the rates by which a child in foster~~  
23 ~~care experiences identity theft, a county welfare department or~~  
24 ~~county probation department shall, upon entry into foster care of~~  
25 ~~a child 10 to 15 years of age, inclusive, do all of the following:~~

26 ~~(A) Notify each of the three major credit reporting agencies that~~  
27 ~~the child is in foster care.~~

28 ~~(B) Discover whether the foster child has an active consumer~~  
29 ~~credit report.~~

30 ~~(C) If a foster child is found to have an active consumer credit~~  
31 ~~report, the county welfare or probation department shall,~~  
32 ~~commencing July 1, 2015, do both of the following:~~

33 ~~(i) Immediately request that the credit reporting agencies place~~  
34 ~~a freeze on the child's report.~~

35 ~~(ii) Work with the Department of Justice's Privacy Enforcement~~  
36 ~~and Protection Unit to resolve any credit irregularities or negative~~  
37 ~~actions that have been discovered on the foster child's credit report.~~

38 ~~(D) For foster children who have not been found to have an~~  
39 ~~active consumer credit report, provide the credit reporting agencies~~

1 ~~with information necessary to preclude a foster child from having~~  
2 ~~a credit account created in his or her name.~~

3 ~~(b)~~

4 10618.6. (a) Pursuant to the federal Child and Family Services  
5 Improvement and Innovation Act of 2011, when a child in a foster  
6 care placement reaches his or her 16th birthday, and each year  
7 thereafter, while the child is under the jurisdiction of the juvenile  
8 court, the county welfare department, county probation department,  
9 or, if an automated process is available, the State Department of  
10 Social Services, shall request a consumer credit disclosure from  
11 each of the three major credit reporting agencies, pursuant to the  
12 free annual disclosure provision of the federal Fair Credit Reporting  
13 Act, on the child's behalf, notwithstanding any other law.

14 (1) If a child in foster care placement is found to have an active  
15 consumer credit report, the county social worker or probation  
16 officer shall immediately notify the three major credit reporting  
17 agencies of the child's placement in foster care and request the  
18 placement of a freeze on the report, unless the child declines.

19 (2) If a child in foster care placement is not found to have an  
20 active consumer credit report, the county social worker or probation  
21 officer shall provide the credit reporting agencies with information  
22 necessary to preclude the child from having a credit account created  
23 in his or her name, unless the child declines.

24 ~~(e)-(1)~~

25 (b) For a nonminor dependent, the county welfare department  
26 or county probation department shall assist the young adult, on a  
27 yearly basis while the nonminor dependent is under the jurisdiction  
28 of the juvenile court, with requesting the consumer credit disclosure  
29 from each of the three major credit reporting agencies, pursuant  
30 to the free annual disclosure provision of the federal Fair Credit  
31 Reporting Act.

32 ~~(2) If a nonminor dependent is found to have an active consumer~~  
33 ~~credit report, the county social worker or probation officer shall~~  
34 ~~ensure that the nonminor dependent receives assistance with the~~  
35 ~~placement of a freeze on his or her credit report.~~

36 ~~(d)~~

37 (c) The county social worker or county probation officer shall  
38 ensure that the child or nonminor dependent receives assistance  
39 with interpreting the consumer credit disclosure and resolving any  
40 inaccuracies. The assistance may include, but is not limited to,

1 referring the youth to a governmental or nonprofit agency that  
 2 provides consumer credit services. This section does not require  
 3 the social worker or probation officer to be the individual providing  
 4 the direct assistance with interpreting the consumer credit  
 5 disclosure or resolving the inaccuracies.

6 (e)

7 (d) Notwithstanding any other law, in order to request a  
 8 consumer credit disclosure for youth pursuant to this section, the  
 9 county welfare department, county probation department, or, if an  
 10 automated process is available, the State Department of Social  
 11 Services may release necessary information to a credit reporting  
 12 agency.

13 ~~(f) No later than July 1, 2015, the department shall, in~~  
 14 ~~consultation with the Administrative Office of the Courts, the~~  
 15 ~~Department of Justice’s Privacy Enforcement and Protection Unit,~~  
 16 ~~the California Welfare Directors Association, the County Probation~~  
 17 ~~Officers of California, youth-based organizations made up of~~  
 18 ~~current and former foster children, and consumer, privacy, and~~  
 19 ~~foster children advocacy organizations, issue instructions to~~  
 20 ~~counties via an all-county letter or similar instruction to do all of~~  
 21 ~~the following:~~

22 ~~(1) Provide the circumstances under which a freeze of a foster~~  
 23 ~~child’s credit report is lifted, including when the child exits,~~  
 24 ~~emancipates, or runs away from foster care, and by whom the~~  
 25 ~~freeze can be lifted.~~

26 ~~(2) Provide instruction as to how a county welfare or probation~~  
 27 ~~department shall notify the three major credit reporting agencies~~  
 28 ~~that a foster child can reacquire the ability to develop credit.~~

29 ~~(3) Identify required processes and best practices in the~~  
 30 ~~identification and resolution of credit irregularities or negative~~  
 31 ~~actions on a foster child’s credit report, including, but not limited~~  
 32 ~~to, entering the information into the foster child’s case plan and~~  
 33 ~~notification of the juvenile court, child’s counsel, and other adults~~  
 34 ~~responsible for the child’s care, as necessary.~~

35 (e) *All counties and the State Department of Social Services*  
 36 *shall be in full compliance with this section and the federal Child*  
 37 *and Family Services Improvement and Innovation Act of 2011 by*  
 38 *July 1, 2015.*

39 (f) (1) *No later than January 1, 2016, the State Department of*  
 40 *Social Services shall submit a report to the Legislature that*

1 *identifies the counties that are in compliance with this section and*  
2 *the federal Child and Family Services Improvement and Innovation*  
3 *Act of 2011, and the counties that are not in compliance.*

4 (2) *A report submitted pursuant to paragraph (1) shall be*  
5 *submitted in compliance with Section 9795 of the Government*  
6 *Code.*

7 (3) *The requirement for submitting a report imposed under*  
8 *paragraph (1) is inoperative on January 1, 2020, pursuant to*  
9 *Section 10231.5 of the Government Code.*

10 ~~SEC. 3. If the Commission on State Mandates determines that~~  
11 ~~this act contains costs mandated by the state, reimbursement to~~  
12 ~~local agencies and school districts for those costs shall be made~~  
13 ~~pursuant to Part 7 (commencing with Section 17500) of Division~~  
14 ~~4 of Title 2 of the Government Code.~~