

AMENDED IN ASSEMBLY APRIL 16, 1998

CALIFORNIA LEGISLATURE—1997–98 REGULAR SESSION

**ASSEMBLY BILL**

**No. 2357**

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**Introduced by Assembly Member Olberg**

February 20, 1998

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An act to add Section 16649.100 to the Government Code, relating to state trust funds.

LEGISLATIVE COUNSEL'S DIGEST

AB 2357, as amended, Olberg. State trust funds: investments.

Existing law prohibits state trust money investments in business firms or financial institutions that engage in discriminatory business practices, as defined, in furtherance of or in compliance with the Arab League's economic boycott of Israel.

The bill would require specified state entities to discontinue on and after January 1, ~~2005~~ 1999, state trust fund investments in business firms that promote *any song or musical work with lyrics that encourage promote specified acts of violence, criminal acts, or degradation or denigration of females violent and serious felonies, hate crimes, domestic violence, the illegal use of controlled substances, as specified, or are obscene, as defined.* The bill would require a phased divestment of those investments beginning January 1, 2000, and continuing thereafter until January 1, 2002.

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

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

1 SECTION 1. Section 16649.100 is added to the  
 2 Government Code, to read:  
 3 16649.100. (a) On and after January 1, ~~2005~~ 1999, no  
 4 moneys from the Public Employees' Retirement Fund,  
 5 the Legislators' Retirement Fund, the State Teachers'  
 6 Retirement Fund, the Judges' Retirement Fund, the  
 7 Judges' Retirement System II Fund, the Volunteer  
 8 Firefighter Fund, or any investment fund created by Part  
 9 2 (commencing with Section 16300) of Division 4 of Title  
 10 2, shall be used to make additional or new investments or  
 11 to renew existing investments in any business firm that  
 12 directly or indirectly through ownership of 10 percent or  
 13 more of another business firm, writes, records, *or*  
 14 produces, ~~advertises, markets, sells, or otherwise~~  
 15 ~~promotes any song, lyrics, or other any song~~ or musical  
 16 work ~~that explicitly describes, glamorizes, or advocates~~  
 17 ~~any of the following:~~  
 18 ~~(a) Acts of criminal violence, including, but not~~  
 19 ~~limited to, murder, assault, assault on peace officers,~~  
 20 ~~sexual assault, and robbery.~~  
 21 ~~(b) Necrophilia, bestiality, or pedophilia.~~  
 22 ~~(c) Illegal use of controlled substances.~~  
 23 ~~(d) Criminal gang activity.~~  
 24 ~~(e) Degradation or denigration of females.~~  
 25 ~~(f) Violence against a particular sex, race, or ethnic~~  
 26 ~~group. with lyrics that promote the crimes listed as~~  
 27 *violent felonies under subdivision (c) of Section 667.5 of*  
 28 *the Penal Code, as serious felonies under subdivision (c)*  
 29 *of Section 1192.7 of the Penal Code, and crimes described*  
 30 *in Section 422.75 of the Penal Code, or promote domestic*  
 31 *violence as defined in Section 6211 of the Family Code, or*  
 32 *promote the illegal use of any substance listed in Section*  
 33 *11054, 11055, 11056, or 11057 of the Health and Safety*  
 34 *Code or are obscene and subject to regulation under the*  
 35 *definition of that term established by the United States*  
 36 *Supreme Court in 1972 in the case of Miller v. State of*  
 37 *California, 38 L. Ed. 2d 128, and recently cited in 1997 by*  
 38 *that court in the case of Reno v. ACLU, 138 L. Ed. 2nd 874.*



1    ***(b) On and after July 1, 1999, each governing board***  
2    ***shall compile an inventory of investments in business***  
3    ***firms described in subdivision (a) and beginning January***  
4    ***1, 2000, shall annually reduce its inventoried investments***  
5    ***in those business firms by one-third, and continue that***  
6    ***reduction of inventoried investments in those companies***  
7    ***until January 1, 2002.***

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