

Senate Bill No. 657

CHAPTER 556

An act to add Section 1714.43 to the Civil Code, and to add Section 19547.5 to the Revenue and Taxation Code, relating to human trafficking.

[Approved by Governor September 30, 2010. Filed with
Secretary of State September 30, 2010.]

E A E C E D E

SB 657, Steinberg. Human trafficking.

The federal Victims of Trafficking and Violence Protection Act of 2000 establishes an Interagency Task Force to Monitor and Combat Trafficking, as specified.

Existing state law makes human trafficking a crime. Existing state law also allows a victim of human trafficking to bring a civil action for actual damages, compensatory damages, punitive damages, injunctive relief, any combination of those, or any other appropriate relief.

Existing law generally regulates various business activities and practices, including those of retail sellers and manufacturers of products.

This bill would enact the California Transparency in Supply Chains Act of 2010, and would, beginning January 1, 2012, require retail sellers and manufacturers doing business in the state to disclose their efforts to eradicate slavery and human trafficking from their direct supply chains for tangible goods offered for sale, as specified. That provision would not apply to a retail seller or manufacturer having less than \$100,000,000 in annual worldwide gross receipts. The bill would also make a specified statement of legislative intent regarding slavery and human trafficking. The bill would also require the Franchise Tax Board to make available to the Attorney General a list of retail sellers and manufacturers required to disclose efforts to eradicate slavery and human trafficking pursuant to that provision, as specified.

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

SECTION 1. This act shall be known, and may be cited, as the California Transparency in Supply Chains Act of 2010.

SEC. 2. The Legislature finds and declares the following:

(a) Slavery and human trafficking are crimes under state, federal, and international law.

(b) Slavery and human trafficking exist in every country, including the United States, and the State of California.

(c) As a result of the criminal natures of slavery and human trafficking, these crimes are often hidden from view and are difficult to uncover and track.

(d) In recent years, significant legislative efforts have been made to capture and punish the perpetrators of these crimes.

(e) Significant legislative efforts have also been made to ensure that victims are provided with necessary protections and rights.

(f)

10.2 (commencing with Section 18401) of Division 2 of the Revenue and Taxation Code.

(b) The disclosure described in subdivision (a) shall be posted on the retail seller's or manufacturer's Internet Web site with a conspicuous and easily understood link to the required information placed on the business' homepage. In the event the retail seller or manufacturer does not have an Internet Web site, consumers shall be provided the written disclosure within 30 days of receiving a written request for the disclosure from a consumer.

(c) The disclosure described in subdivision (a) shall, at a minimum, disclose to what extent, if any, that the retail seller or manufacturer does each of the following:

(1) Engages in verification of product supply chains to evaluate and address risks of human trafficking and slavery. The disclosure shall specify if the verification was not conducted by a third party.

(2) Conducts audits of suppliers to evaluate supplier compliance with company standards for trafficking and slavery in supply chains. The disclosure shall specify if the verification was not an independent, unannounced audit.

(3) Requires direct suppliers to certify that materials incorporated into the product comply with the laws regarding slavery and human trafficking of the country or countries in which they are doing business.

(4) Maintains internal accountability standards and procedures for employees or contractors failing to meet company standards regarding slavery and trafficking.

(5) Provides company employees and management, who have direct responsibility for supply chain management, training on human trafficking and slavery, particularly with respect to mitigating risks within the supply chains of products.

(d) The exclusive remedy for a violation of this section shall be an action brought by the Attorney General for injunctive relief. Nothing in this section shall limit remedies available for a violation of any other state or federal law.

(e) The provisions of this section shall take effect on January 1, 2012.

SEC. 4. Section 19547.5 is added to the Revenue and Taxation Code, to read:

19547.5. (a) (1) Notwithstanding any provision of law, the Franchise Tax Board shall make available to the Attorney General a list of retail sellers and manufacturers required to disclose efforts to eradicate slavery and human trafficking pursuant to Section 1714.43 of the Civil Code. The list shall be based on tax returns filed for taxable years beginning on or after January 1, 2011.

(2) Each list required by this section shall be submitted annually to the Attorney General by November 30, 2012, and each November 30 thereafter. The list shall be derived from original tax returns received by the Franchise Tax Board on or before December 31, 2011, and each December 31 thereafter.

(b) Each annual list required by this section shall include the following information for each retail seller or manufacturer:

- (1) Entity name.
- (2) California identification number.