

Date of Hearing: June 2, 2020

ASSEMBLY COMMITTEE ON APPROPRIATIONS

Lorena Gonzalez, Chair

AB 2517 (Gloria) – As Amended May 13, 2020

Policy Committee: Judiciary

Vote: 11 - 0

Urgency: No

State Mandated Local Program: No

Reimbursable: No

SUMMARY:

This bill authorizes, on and after January 1, 2022, a court to include a finding that specific debts were incurred as the result of domestic violence and without the consent of the petitioner. This bill also requires Judicial Council to adopt and modify forms to allow courts to make a finding regarding specific debts incurred as a result of domestic violence.

FISCAL EFFECT:

Minor and absorbable costs (GF/Trial Court Trust fund) to the courts in additional workload to make findings regarding the origins of specified debt in domestic violence cases and for Judicial Council to modify existing forms.

COMMENTS:

1) **Purpose and Background.** According to the author:

Financial abuse is a very harmful component of domestic violence. AB 2517 will play a critical part in providing some protections judges can use in determining who is responsible for paying off the debt that happened. This bill is essential in helping survivors get back on track faster.

Financial abuse can include forbidding a victim to work or sabotaging their work or employment, controlling how money is spent, withholding money for basic family expenses, such as food, shelter and medicine, not allowing the victim access to bank accounts or make any financial decisions, forcing the victim file fraudulent tax returns, running up large amounts of debt on joint accounts, refusing to pay bills and ruining their victims' credit score.

2) **Arguments in Support.** According to the California Low-Income Consumer Coalition:

Currently, Domestic Violence Restraining Orders allow the judge to assign specific debts to be paid by the restrained party. By adding a space for the judge to also identify which debts were incurred because of the domestic violence and through theft of the survivor's identity, the survivor will be able to use the restraining order as documentation for civil debt relief protections under current law, which requires a person to have proof of the abuse.

3) **Arguments in Opposition.** According to the California Land Title Association:

AB 2517 stands to create a new class of victim in the form of adversely affected innocent third parties that have unknowingly engaged in transactions involving real property subject to liens that were incurred in connection with instances of domestic violence.

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