

AMENDED IN ASSEMBLY AUGUST 13, 2010

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AMENDED IN SENATE APRIL 20, 2009

**SENATE BILL**

**No. 501**

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**Introduced by Senator Correa**

(Principal coauthor: Assembly Member De La Torre)

(Coauthors: Assembly Members *Block*, Caballero, Gatto, Norby,  
Portantino, Smyth, and Torres)

February 26, 2009

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An act to add Section 53060.2 to the Government Code, relating to local government.

LEGISLATIVE COUNSEL'S DIGEST

SB 501, as amended, Correa. Local government: compensation disclosure.

Existing law provides for the compensation of local government officers and employees, as specified.

This bill would require officers and designated employees, as defined, to annually file a compensation disclosure form, as specified. This bill would require the Secretary of State to develop the form, which would provide for the disclosure of, among other things, salaries and stipends and reimbursements received by the officer or designated employee, and the employer's cost of providing benefits. This bill would also require a county, city, city and county, school district, special district, or joint powers agency that maintains an Internet Web site to post the information contained on the filed form on that Internet Web site, as specified. The bill would authorize a district attorney or any interested

person to commence an action by mandamus to enforce the provisions of the bill, as specified.

The bill would express a legislative finding and declaration that, to ensure the statewide integrity of local government, disclosure of compensation paid to officers and designated employees is an issue of statewide concern and not a municipal affair and that, therefore, all cities, including charter cities, would be subject to the provisions of the bill.

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.

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

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

1 SECTION 1. Section 53060.2 is added to the Government  
2 Code, to read:

3 53060.2. (a) For purposes of this section, the following terms  
4 have the following meanings:

5 (1) “City” means a general law city or a charter city.

6 (2) “Designated employee” means a designated employee of a  
7 county, city, city and county, school district, special district, or  
8 joint powers agency formed pursuant to the Joint Exercise of  
9 Powers Act (Chapter 5 (commencing with Section 6500) of  
10 Division 7 of Title 1) who is required to file a statement of  
11 economic interests pursuant to Chapter 7 (commencing with  
12 Section 87100) of Title 9.

13 (3) “Officer” means an elected or appointed officer of a county,  
14 city, city and county, school district, special district, or joint powers  
15 agency formed pursuant to the Joint Exercise of Powers Act  
16 (Chapter 5 (commencing with Section 6500) of Division 7 of Title  
17 1) who is required to file a statement of economic interests pursuant  
18 to Chapter 7 (commencing with Section 87100) of Title 9.

19 (b) Each officer or designated employee shall annually file a  
20 compensation disclosure form that provides compensation

1 information for the preceding year, pursuant to this section. The  
2 annual filing deadline for a compensation disclosure form shall be  
3 the same as the filing deadline established for annual statements  
4 of economic interest, pursuant to Sections 87203 and 87302.

5 (c) (1) An officer or designated employee shall file his or her  
6 compensation disclosure form with the same office that receives  
7 that officer's or designated employee's statement of economic  
8 interest pursuant to Section 87500. The office receiving the  
9 compensation disclosure form shall make and retain a copy and  
10 return the original to the officer or designated employee.

11 (2) If the county, city, city and county, school district, special  
12 district, or joint powers agency maintains an Internet Web site, it  
13 shall post the information contained on the filed compensation  
14 disclosure form on that Internet Web site.

15 (d) The compensation disclosure form, which shall be developed  
16 by the Secretary of State, shall, at a minimum, provide for the  
17 disclosure of each of the following by an officer and a designated  
18 employee:

- 19 (1) Salaries and stipends paid.
- 20 (2) Reimbursements—received—for—expenses: *Total*  
21 *reimbursements for expenses received in a year.*

- 22 (3) The employer's cost of providing benefits.
- 23 (4) Any other monetary or nonmonetary perquisites provided.

24 (e) The items disclosed pursuant to subdivision (d) shall also  
25 include any items received by an officer or designated employee  
26 as a result of membership with, or employment by, any local  
27 agency, municipal corporation, public benefit corporation, or  
28 community redevelopment agency, if the membership of the  
29 officer's or designated employee's governing body is sufficient in  
30 number to constitute a quorum or a majority of the governing body  
31 membership of the local agency, municipal corporation, public  
32 benefit corporation, or community redevelopment agency.

33 ~~(f) The compensation disclosure form filed pursuant to this~~  
34 ~~section is a public record for purposes of the California Public~~  
35 ~~Records Act (Chapter 3.5 (commencing with Section 6250) of~~  
36 ~~Division 7 of Title 1), and shall be provided to a person, upon~~  
37 ~~request, pursuant to Section 6253.~~

38 *(f) Every compensation disclosure form filed pursuant to this*  
39 *section shall be open for public inspection and reproduction during*  
40 *regular business hours, commencing as soon as practicable, but*

1 *not later than the second business day following the day on which*  
2 *it was received. No conditions shall be imposed upon a person*  
3 *desiring to inspect or reproduce a compensation disclosure form*  
4 *filed pursuant to this section, nor shall any information or*  
5 *identification be required from the person. Copies shall be provided*  
6 *at a charge not to exceed ten cents (\$0.10) per page. In addition,*  
7 *a retrieval fee not to exceed five dollars (\$5) per request may be*  
8 *charged for copies of reports and statements that are more than*  
9 *five years old. A request for more than one compensation*  
10 *disclosure form at the same time shall be considered a single*  
11 *request.*

12 (g) (1) The district attorney or any interested person may  
13 commence an action by mandamus or injunction to compel an  
14 officer, designated employee, county, city, city and county, school  
15 district, special district, or joint powers agency to comply with the  
16 requirements of this section. Nothing in this section shall be  
17 construed to prevent an officer, designated employee, county, city,  
18 city and county, school district, special district, or joint powers  
19 agency from curing or correcting an action challenged pursuant  
20 to this section.

21 (2) Prior to any action being commenced pursuant to this  
22 subdivision, the district attorney or interested person shall make  
23 a demand of the officer, designated employee, county, city, city  
24 and county, school district, special district, or joint powers agency  
25 to cure or correct the action alleged to have been taken in violation  
26 of this section. The demand shall be in writing and clearly describe  
27 the nature of the alleged violation.

28 (3) Within 30 days of receipt of the demand, the officer,  
29 designated employee, county, city, city and county, school district,  
30 special district, or joint powers agency shall cure or correct the  
31 alleged violation *and notify the demanding party in writing of the*  
32 *decision to cure or correct the alleged violation* or inform the  
33 demanding party in writing of its decision not to cure or correct  
34 the alleged violation.

35 (4) Within 15 days of receipt of the written notice of the decision  
36 to cure or correct an alleged violation, or not to cure or correct, or  
37 within 15 days of the expiration of the 30-day period to cure or  
38 correct, whichever is earlier, the demanding party shall be required  
39 to commence the action pursuant to this subdivision or thereafter  
40 be barred from commencing the action.

1 (5) If the officer, designated employee, county, city, city and  
2 county, school district, special district, or joint powers agency  
3 takes no action within the 30-day period, the inaction shall be  
4 deemed a decision not to cure or correct the alleged violation, and  
5 the 15-day period to commence the action described in paragraph  
6 (1) shall commence to run the day after the 30-day period to cure  
7 or correct expires.

8 (6) During any action seeking a judicial determination pursuant  
9 to this subdivision if the court determines, pursuant to a showing  
10 that an alleged violation has been cured or corrected by a  
11 subsequent action, the action filed pursuant to this subdivision  
12 shall be dismissed with prejudice.

13 SEC. 2. In enacting this act, the Legislature finds and declares  
14 that the disclosure of compensation paid to officers and designated  
15 employees furthers the intent and purposes of Section 3 of Article  
16 I of the California Constitution which declares that the people have  
17 the right of access to information concerning the conduct of the  
18 people's business.

19 SEC. 3. The Legislature finds and declares that the fiscal  
20 integrity and stability of local governmental agencies in this state,  
21 including charter cities, has a direct impact on the long-term  
22 well-being of all the residents of this state. The likelihood of  
23 businesses locating to or staying in the state is affected by the  
24 perception of a functioning, transparent, and practical governmental  
25 structure in the local governmental bodies in California. Therefore,  
26 the Legislature finds and declares that to ensure the statewide  
27 integrity of local government, the disclosure of compensation paid  
28 to officers and designated employees is an issue of statewide  
29 concern and not a municipal affair, as that term is used in Section  
30 5 of Article XI of the California Constitution. Therefore, this act  
31 shall apply to all cities, including charter cities.

32 SEC. 4. If the Commission on State Mandates determines that  
33 this act contains costs mandated by the state, reimbursement to  
34 local agencies and school districts for those costs shall be made  
35 pursuant to Part 7 (commencing with Section 17500) of Division  
36 4 of Title 2 of the Government Code.

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