

AMENDED IN ASSEMBLY JANUARY 4, 2012

AMENDED IN ASSEMBLY APRIL 25, 2011

AMENDED IN ASSEMBLY APRIL 4, 2011

CALIFORNIA LEGISLATURE—2011–12 REGULAR SESSION

**ASSEMBLY BILL**

**No. 785**

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**Introduced by Assembly Member Mendoza**

February 17, 2011

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An act to add Section 87103.1 to the Government Code, relating to the Political Reform Act of 1974.

LEGISLATIVE COUNSEL'S DIGEST

AB 785, as amended, Mendoza. Political Reform Act of 1974: public officers: financial interest.

(1) The Political Reform Act of 1974 prohibits a public official at any level of state or local government from making, participating in making, or in any way attempting to use his or her official position to influence a governmental decision in which he or she knows or has reason to know he or she has a financial interest. A violation of the Political Reform Act of 1974 is subject to administrative, civil, and criminal penalties.

This bill would provide, for purposes of this prohibition, that a public official who is an elected or appointed member of a state or local government agency has a financial interest in a decision of that agency if *the decision involves a vote by the public official relating to the approval, modification, or cancellation of a contract and if an immediate family member of the public official has a financial interest in the decision.* ~~In addition, this bill would ascribe a financial interest to an immediate family member (a) who is acting as an agent for, or otherwise~~

representing, any other person by making a formal or informal appearance before, or by making an oral or written communication to, the state or local government agency, or an officer or employee thereof, for the purpose of influencing the *contracting* decision or (b) ~~who~~ is a director, officer, or partner of a business entity on which it is reasonably foreseeable that the *contracting* decision will have a material financial effect. This bill would define “immediate family member” to mean a public official’s spouse or domestic partner, child, parent, sibling, or the spouse or domestic partner of a child, parent, or sibling.

This bill would impose a state-mandated local program by exposing these public officials to potential criminal penalties for failing to recuse themselves from participation where required by this bill.

(2) 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 no reimbursement is required by this act for a specified reason.

(3) The Political Reform Act of 1974, an initiative measure, provides that the Legislature may amend the act to further the act’s purposes upon a  $\frac{2}{3}$  vote of each house and compliance with specified procedural requirements.

This bill would declare that it furthers the purposes of the act.

Vote:  $\frac{2}{3}$ . 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 87103.1 is added to the Government  
2 Code, to read:

3 87103.1. (a) A public official who is an elected or appointed  
4 member of a state or local government agency has a financial  
5 interest in a decision within the meaning of Section 87100 if *the*  
6 *decision involves a vote by the public official relating to the*  
7 *approval, modification, or cancellation of a contract and if an*  
8 *immediate family member of the public official has a financial*  
9 ~~interest in the decision, as provided in subdivision (b).~~ *is either of*  
10 *the following:*

11 ~~(b) For purposes of this section, each of the following has a~~  
12 ~~financial interest in a decision of a state or local government~~  
13 ~~agency:~~

1 (1) A person acting as an agent for, or otherwise representing,  
2 any other person by making a formal or informal appearance  
3 before, or by making an oral or written communication to, the state  
4 or local government agency, or an officer or employee thereof, for  
5 the purpose of influencing the *contracting* decision.

6 (2) A person who is a director, officer, or partner of a business  
7 entity on which it is reasonably foreseeable that the *contracting*  
8 decision will have a material financial effect.

9 (e)

10 (b) For purposes of this section, “immediate family member”  
11 means a spouse or domestic partner, child, parent, sibling, or the  
12 spouse or domestic partner of a child, parent, or sibling.

13 SEC. 2. No reimbursement is required by this act pursuant to  
14 Section 6 of Article XIII B of the California Constitution because  
15 the only costs that may be incurred by a local agency or school  
16 district will be incurred because this act creates a new crime or  
17 infraction, eliminates a crime or infraction, or changes the penalty  
18 for a crime or infraction, within the meaning of Section 17556 of  
19 the Government Code, or changes the definition of a crime within  
20 the meaning of Section 6 of Article XIII B of the California  
21 Constitution.

22 SEC. 3. The Legislature finds and declares that this bill furthers  
23 the purposes of the Political Reform Act of 1974 within the  
24 meaning of subdivision (a) of Section 81012 of the Government  
25 Code.