

## Assembly Bill No. 2040

### CHAPTER 894

An act to amend Sections 12463 and 53892 of, and to add Article 10.5 (commencing with Section 53908) to Chapter 4 of Part 1 of Division 2 of Title 5 of, the Government Code, relating to local government.

[Approved by Governor September 30, 2014. Filed with  
Secretary of State September 30, 2014.]

#### LEGISLATIVE COUNSEL'S DIGEST

AB 2040, Garcia. Compensation of elected officials, officers, and employees: reporting and disclosure.

Existing law requires the officer of each local agency, as specified, who has charge of the financial records of the local agency to furnish to the Controller a report of specified information that includes, among other things, all the financial transactions of the local agency during the next preceding fiscal year. Existing law requires the Controller to compile and publish reports of the financial transactions of each county, city, city and county, and special district, respectively, together with any other matter he or she deems of public interest.

This bill would require a local agency to additionally report to the Controller the annual compensation of its elected officials, officers, and employees. This bill would also require a local agency that is required to submit a financial report to the Controller and that maintains an Internet Web site to post the annual compensation information of its elected officials, officers, and employees that is submitted to the Controller and posted on the Controller's Government Compensation in California Internet Web site. This bill would require the Controller to display the financial reports and the public official compensation on the Controller's Internet Web site in a format that may be printed and downloaded. This bill would require the Controller and local agencies to consult regarding the reporting instructions for the disclosure of compensation information.

By requiring a local agency to report and disclose additional information regarding its public officials in a specified manner, this bill would impose a state-mandated local program.

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.

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

SECTION 1. Section 12463 of the Government Code is amended to read:

12463. (a) The Controller shall compile, publish, and make publicly available on the Controller's Internet Web site, in a format that may be printed and downloaded, reports of the financial transactions and information on annual compensation, consistent with subdivision (l) of Section 53892, of each county, city, and special district, respectively, within this state, together with any other matter he or she deems of public interest. The reports shall include the appropriations limits and the total annual appropriations subject to limitation of the counties, cities, and special districts. The reports to the Controller shall be made in the time, form, and manner prescribed by the Controller.

(b) Effective January 1, 2005, the Controller shall compile and publish reports of the financial transactions of each county, city, and special district pursuant to subdivision (a) on or before August 1, September 1, and October 1 respectively, of each year following the end of the annual reporting period. The Controller shall make data collected pursuant to this subdivision available upon request to the Legislature and its agents, on or before April 1 of each year.

(c) The Controller shall annually publish, on the Internet Web site of the Controller, reports of the financial transactions of each school district within this state, together with any other matter he or she deems of public interest. The reports shall include the appropriations limit and the total annual appropriations subject to limitation of the school district. The reports to the Controller shall be made in the time, form, and manner prescribed by the Controller.

(d) As used in this section, the following terms have the following meanings:

(1) "School district" means a school district as defined in Section 80 of the Education Code.

(2) "Special district" means any of the following:

(A) A special district as defined in Section 95 of the Revenue and Taxation Code.

(B) A commission provided for by a joint powers agreement pursuant to Chapter 5 (commencing with Section 6500) of Division 7 of Title 1.

(C) A nonprofit corporation that is any of the following:

(i) Was formed in accordance with the provisions of a joint powers agreement to carry out functions specified in the agreement.

(ii) Issued bonds, the interest on which is exempt from federal income taxes, for the purpose of purchasing land as a site for, or purchasing or constructing, a building, stadium, or other facility, that is subject to a lease or agreement with a local public entity.

(iii) Is wholly owned by a public agency.

SEC. 2. Section 53892 of the Government Code is amended to read:

53892. The report shall state all of the following:

(a) The aggregate amount of taxes levied and assessed against the taxable property in the local agency, which became due and payable during the next preceding fiscal year.

(b) The aggregate amount of taxes levied and assessed against this property collected by or for the local agency during the fiscal year.

(c) The aggregate income during the preceding fiscal year, a general statement of the sources of the income, and the amount received from each source.

(d) The total expenditures made by administrative departments during the preceding fiscal year, a general statement of the purposes of the expenditures, and the amounts expended by each department.

(e) The assessed valuation of all of the taxable property in the local agency as set forth on the assessment roll of the local agency equalized for the fiscal year, or, if the officers of the county in which the city or district is situated have collected for the city or district the general taxes levied by the city or district for the fiscal year, the assessed valuation of all taxable property in the city or district as set forth on the assessment rolls for the county equalized for the fiscal year.

(f) The information required by Section 53892.2, as of the end of the fiscal year.

(g) The approximate population at the close of the fiscal year and the population as shown by the last regular federal census.

(h) Other information that the Controller requires.

(i) Any other matters necessary to complete and keep current the statistical information on assessments, revenues, and taxation, collected and compiled by any Senate or Assembly committee on revenue and taxation.

(j) In the case of cities, the information required by Section 53892.3.

(k) In the case of community redevelopment agencies, the information required by subdivisions (a), (b), and (g) of Section 33080.1 of the Health and Safety Code. The Controller shall forward the information required pursuant to subdivision (c) of Section 33080.1 of the Health and Safety Code to the Department of Housing and Community Development for publication pursuant to Section 33080.6 of that code.

(l) The annual compensation of a local agency's elected officials, officers, and employees in accordance with reporting instructions developed by the Controller pursuant to Section 53891 in consultation with affected local agencies. This subdivision shall not apply to a federal officer or employee serving in an official federal capacity in a local agency.

SEC. 3. Article 10.5 (commencing with Section 53908) is added to Chapter 4 of Part 1 of Division 2 of Title 5 of the Government Code, to read:

Article 10.5. Local Agency Internet Posting of Financial Information

53908. (a) If a local agency, that is required to report to the Controller under Section 53891, maintains an Internet Web site, it shall post, in a

conspicuous location on its Internet Web site, information on the annual compensation of its elected officials, officers, and employees that is submitted to the Controller under Section 53891.

(b) A local agency may comply with subdivision (a) by posting, in a conspicuous location on its Internet Web site, a link to the Controller's Government Compensation in California Internet Web site.

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