

AMENDED IN ASSEMBLY MAY 5, 2015

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

ASSEMBLY BILL

No. 341

Introduced by Assembly Member Achadjian

February 13, 2015

An act to amend ~~Section 53891~~ *Sections 12463, 53891, and 53893* of the Government Code, relating to local government.

LEGISLATIVE COUNSEL'S DIGEST

AB 341, as amended, Achadjian. Financial affairs: reports.

Existing law requires the officer of each local agency, who has charge of the financial records of the local agency, to furnish to the Controller a report of all the financial transactions of the local agency during the next preceding fiscal year within 90 days of the close of each fiscal year, or within 110 days if the report is furnished in an electronic format. *Existing law requires the report to include, among other things, the annual compensation of a local agency's elected officials, officers, and employees, as specified.*

This bill would require the report to contain underlying data from audited financial statements, as specified, if this data is available. This bill would extend the amount of time in which the report is required to be furnished to the Controller from 90 days to ~~180 days and from 110 days to 210 days~~. *seven months. The bill would also require information regarding the annual compensation of a local agency's elected officials, officers, and employees, as specified, to be submitted to the controller no later than April 30th after the end of the calendar year.*

Existing law requires the Controller to, among other things, compile and publish reports of the financial transactions of each county, city,

and special district, as specified, on or before August 1, September 1, and October 1, respectively, of each year.

This bill would instead require the Controller to compile and publish reports of the financial transactions of each county, city, and special district on or before November 1 of each year.

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

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

1 ~~SECTION 1. (a) The Legislature finds and declares that the~~
2 ~~existing timelines between the close of the fiscal year and the~~
3 ~~requirement for local agencies to submit financial transaction~~
4 ~~reports to the Controller within 90 or 110 days are often insufficient~~
5 ~~to ensure the required audits of this data have been completed.~~
6 ~~Submitting incomplete or unaudited data can create confusion for~~
7 ~~the public and additional work for both the State Controller's office~~
8 ~~and the local agency staff to update information to reflect final~~
9 ~~audits.~~

10 ~~(b) It is the intent of the Legislature in enacting this act to adjust~~
11 ~~the existing timelines described in subdivision (a) so that local~~
12 ~~agencies have sufficient time to ensure that local financial~~
13 ~~transaction reports submitted to the Controller and published online~~
14 ~~by the Controller reflect final audited data. By making these~~
15 ~~changes, it is the intent of the Legislature to improve the quality~~
16 ~~of information provided to the public.~~

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

19 ~~12463. (a) The Controller shall compile, publish, and make~~
20 ~~publicly available on the Controller's Internet Web site, in a format~~
21 ~~that may be printed and downloaded, reports of the financial~~
22 ~~transactions and information on annual compensation, consistent~~
23 ~~with subdivision (l) of Section 53892, of each county, city, and~~
24 ~~special district, respectively, within this state, together with any~~
25 ~~other matter he or she deems of public interest. The reports shall~~
26 ~~include the appropriations limits and the total annual appropriations~~
27 ~~subject to limitation of the counties, cities, and special districts.~~
28 ~~The reports to the Controller shall be made in the time, form, form~~
29 ~~and manner prescribed by the Controller.~~

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

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

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

18 (1) "School district" means a school district as defined in Section
19 80 of the Education Code.

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

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

23 (B) A commission provided for by a joint powers agreement
24 pursuant to Chapter 5 (commencing with Section 6500) of Division
25 7 of Title 1.

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

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

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

33 (iii) Is wholly owned by a public agency.

34 SEC. 2. Section 53891 of the Government Code is amended
35 to read:

36 53891. (a) The officer of each local agency who has charge
37 of the financial records shall furnish to the Controller a report of
38 all the financial transactions of the local agency during the ~~next~~
39 preceding fiscal year. The report shall contain underlying data
40 from audited financial statements prepared in accordance with

1 generally accepted accounting principles, if this data is available.
2 The report shall be furnished within ~~180 days~~ *seven months* after
3 the close of each fiscal year and shall be in the form required by
4 the Controller. ~~If the report is filed in electronic format as~~
5 ~~prescribed by the Controller, the report shall be furnished within~~
6 ~~210 days after the close of each fiscal year. However, whenever~~
7 ~~a local agency files annual financial materials with the Office of~~
8 ~~Statewide Health Planning and Development or any successor~~
9 ~~thereto pursuant to Section 128735 of the Health and Safety Code,~~
10 ~~the audited report shall be furnished within 120 days after the close~~
11 ~~of each fiscal year. Further, whenever a community redevelopment~~
12 ~~agency files an annual report with the Controller pursuant to~~
13 ~~Section 33080 of the Health and Safety Code, the report shall be~~
14 ~~furnished within six months of the end of the agency's fiscal year.~~
15 *A local agency shall submit to the Controller information on annual*
16 *compensation, as described in subdivision (l) of Section 53892,*
17 *for the previous calendar year no later than April 30th.*

18 (b) The Controller shall prescribe uniform accounting and
19 reporting procedures that shall be applicable to all local agencies
20 except cities, counties, and school districts, and except for local
21 agencies that substantially follow a system of accounting prescribed
22 by the Public Utilities Commission of the State of California or
23 the Federal Energy Regulatory Commission. The procedures shall
24 be adopted under Chapter 3.5 (commencing with Section 11340)
25 of Part 1 of Division 3 of Title 2. The Controller shall prescribe
26 the procedures only after consultation with and approval of a local
27 governmental advisory committee established pursuant to Section
28 12463.1. Approval of the procedures shall be by majority vote of
29 the members present at a meeting of the committee called by the
30 chairperson thereof.

31 *SEC. 3. Section 53893 of the Government Code is amended to*
32 *read:*

33 *53893. Upon the completion of the report the legislative body*
34 *shall either post it in a conspicuous location on its Internet Web*
35 *site, or cause copies of the report to be prepared and the clerk of*
36 *the legislative body shall furnish a copy to any person requesting*
37 *it. A charge not to exceed twenty-five cents (\$0.25) for each copy*
38 *may be imposed.*

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