

AMENDED IN ASSEMBLY AUGUST 20, 2010

AMENDED IN ASSEMBLY AUGUST 13, 2010

AMENDED IN ASSEMBLY AUGUST 12, 2010

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~~ *filers*, 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, automobile and equipment allowances, and incentive and bonus payments~~. 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 duties imposed on local departmental agencies by the bill would create a state-mandated local program.*

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~~ *filers* 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~~

1 ~~1) who is required to file a statement of economic interests pursuant~~  
2 ~~to Chapter 7 (commencing with Section 87100) of Title 9.~~

3 (2) “Filer” means both of the following:

4 (A) *An elected or appointed officer of a county, city, city and*  
5 *county, school district, special district, or joint powers agency*  
6 *formed pursuant to the Joint Exercise of Powers Act (Chapter 5*  
7 *(commencing with Section 6500) of Division 7 of Title 1) who is*  
8 *required to file a statement of economic interests pursuant to*  
9 *Section 87200.*

10 (B) *Any person who is a superintendent, deputy superintendent,*  
11 *assistant superintendent, associate superintendent, community*  
12 *college president, community college vice president, community*  
13 *college deputy vice president, general manager, city manager,*  
14 *county administrator, other similar chief administrative officer or*  
15 *chief executive officer of a local agency who is required to file a*  
16 *statement of economic interests pursuant to Chapter 7*  
17 *(commencing with Section 87100) of Title 9.*

18 (3) “School district” means a school district, community college  
19 district, county board of education, and county superintendent of  
20 schools.

21 (b) ~~Each officer or designated employee filer~~ shall annually file  
22 a compensation disclosure form that provides compensation  
23 information for the preceding year, pursuant to this section. The  
24 annual filing deadline for a compensation disclosure form shall be  
25 the same as the filing deadline established for annual statements  
26 of economic interest, pursuant to Sections 87203 and 87302.

27 (c) (1) ~~An officer or designated employee~~ *A filer* shall file his  
28 or her compensation disclosure form with the same office *of the*  
29 *local agency* that receives that ~~officer’s or designated employee’s~~  
30 *filer’s* statement of economic interest pursuant to Section 87500.  
31 ~~The office receiving the compensation disclosure form shall make~~  
32 ~~and retain a copy and return the original to the officer or designated~~  
33 ~~employee.~~

34 (2) *As an alternative to paragraph (1), if a county, city, city and*  
35 *county, school district, special district, or joint powers agency*  
36 *maintains an Internet Web site, it may compile the information*  
37 *required by subdivision (d) for each filer and post that information*  
38 *on the Internet Web site. The information for each filer shall be*  
39 *available upon request pursuant to subdivision (f).*

40 (2)

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

5 ~~(d) The compensation disclosure form, which shall be developed~~  
6 ~~by the Secretary of State, shall, at a minimum, provide for the~~  
7 ~~disclosure of each of the following by an officer and a designated~~  
8 ~~employee:~~

9 ~~(1) Salaries and stipends paid.~~

10 ~~(2) Total reimbursements for expenses received in a year.~~

11 ~~(3) The employer's cost of providing benefits.~~

12 ~~(4) Any other monetary or nonmonetary perquisites provided.~~  
13 ~~shall post the following information on that Internet Web site:~~

14 ~~(A) The information contained on the filed compensation~~  
15 ~~disclosure form.~~

16 ~~(B) The written policy for the reimbursement of actual and~~  
17 ~~necessary expenses adopted pursuant to Section 53232.2, if~~  
18 ~~applicable.~~

19 ~~(d) The Secretary of State shall develop the compensation~~  
20 ~~disclosure form. When developing the compensation disclosure~~  
21 ~~form, the Secretary of State shall review and consider whether the~~  
22 ~~amounts listed in the Internal Revenue Service Form W-2 for the~~  
23 ~~purposes of calculating Medicare taxes are sufficient or, in the~~  
24 ~~case of a contractor, the amounts listed in the Internal Revenue~~  
25 ~~Services Form 1099. If the filer is a contractor, the compensation~~  
26 ~~disclosure form shall require disclosure of the contract's~~  
27 ~~compensation provisions. The compensation disclosure form shall~~  
28 ~~provide for the disclosure of each of the following:~~

29 ~~(1) Annual salary or stipend.~~

30 ~~(2) Local agency payments to the filer's deferred compensation~~  
31 ~~or defined benefit plans.~~

32 ~~(3) Automobile and equipment allowances.~~

33 ~~(4) Supplemental incentive and bonus payments.~~

34 ~~(5) Local agency payments to the filer that are in excess of the~~  
35 ~~standard benefits that the local agency offers for all other~~  
36 ~~employees.~~

37 ~~(e) The items information disclosed pursuant to subdivision (d)~~  
38 ~~shall also include any items amounts received by an officer or~~  
39 ~~designated employee a filer as a result of membership with, or~~  
40 ~~employment by, any local agency, municipal corporation, public~~

1 benefit corporation, or community redevelopment agency, if the  
2 membership of the ~~officer's or designated employee's~~ *filer's*  
3 governing body is sufficient in number to constitute a quorum or  
4 a majority of the governing body membership of the local agency,  
5 municipal corporation, public benefit corporation, or community  
6 redevelopment agency.

7 (f) Every compensation disclosure form filed pursuant to this  
8 section shall be open for public inspection and reproduction during  
9 regular business hours, commencing as soon as practicable, but  
10 not later than the second business day following the day on which  
11 it was received. No conditions shall be imposed upon a person  
12 desiring to inspect or reproduce a compensation disclosure form  
13 filed pursuant to this section, nor shall any information or  
14 identification be required from the person. Copies shall be provided  
15 at a charge not to exceed ten cents (\$0.10) per page. In addition,  
16 a retrieval fee not to exceed five dollars (\$5) per request may be  
17 charged for copies of reports and statements that are more than  
18 five years old. A request for more than one compensation  
19 disclosure form at the same time shall be considered a single  
20 request.

21 (g) (1) The district attorney or any interested person may  
22 commence an action by mandamus or injunction to compel ~~an~~  
23 ~~officer, designated employee~~ *a filer*, county, city, city and county,  
24 school district, special district, or joint powers agency to comply  
25 with the requirements of this section. Nothing in this section shall  
26 be construed to prevent ~~an officer, designated employee~~ *a filer*,  
27 county, city, city and county, school district, special district, or  
28 joint powers agency from curing or correcting an action challenged  
29 pursuant to this section.

30 (2) Prior to any action being commenced pursuant to this  
31 subdivision, the district attorney or interested person shall make  
32 a demand of the ~~officer, designated employee~~ *filer*, county, city,  
33 city and county, school district, special district, or joint powers  
34 agency to cure or correct the action alleged to have been taken in  
35 violation of this section. The demand shall be in writing and clearly  
36 describe the nature of the alleged violation.

37 (3) Within 30 days of receipt of the demand, the ~~officer,~~  
38 ~~designated employee~~ *filer*, county, city, city and county, school  
39 district, special district, or joint powers agency shall cure or correct  
40 the alleged violation and notify the demanding party in writing of

1 the decision to cure or correct the alleged violation or inform the  
2 demanding party in writing of its decision not to cure or correct  
3 the alleged violation.

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

10 (5) If the ~~officer, designated employee~~ *filer*, county, city, city  
11 and county, school district, special district, or joint powers agency  
12 takes no action within the 30-day period, the inaction shall be  
13 deemed a decision not to cure or correct the alleged violation, and  
14 the 15-day period to commence the action described in paragraph  
15 (1) shall commence to run the day after the 30-day period to cure  
16 or correct expires.

17 (6) During any action seeking a judicial determination pursuant  
18 to this subdivision if the court determines, pursuant to a showing  
19 that an alleged violation has been cured or corrected by a  
20 subsequent action, the action filed pursuant to this subdivision  
21 shall be dismissed with prejudice.

22 SEC. 2. In enacting this act, the Legislature finds and declares  
23 that the disclosure of compensation paid to ~~officers and designated~~  
24 ~~employees~~ *filers* furthers the intent and purposes of Section 3 of  
25 Article I of the California Constitution which declares that the  
26 people have the right of access to information concerning the  
27 conduct of the people's business.

28 SEC. 3. The Legislature finds and declares that the fiscal  
29 integrity and stability of local governmental agencies in this state,  
30 including charter cities, has a direct impact on the long-term  
31 well-being of all the residents of this state. The likelihood of  
32 businesses locating to or staying in the state is affected by the  
33 perception of a functioning, transparent, and practical governmental  
34 structure in the local governmental bodies in California. Therefore,  
35 the Legislature finds and declares that to ensure the statewide  
36 integrity of local government, the disclosure of compensation paid  
37 to ~~officers and designated employees~~ *filers* is an issue of statewide  
38 concern and not a municipal affair, as that term is used in Section  
39 5 of Article XI of the California Constitution. Therefore, this act  
40 shall apply to all cities, including charter cities.

1     SEC. 4. If the Commission on State Mandates determines that  
2 this act contains costs mandated by the state, reimbursement to  
3 local agencies and school districts for those costs shall be made  
4 pursuant to Part 7 (commencing with Section 17500) of Division  
5 4 of Title 2 of the Government Code.

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