Date of Hearing: July 1, 2026

ASSEMBLY COMMITTEE ON LOCAL GOVERNMENT
Juan Carrillo, Chair
SB 994 (Cabaldon) – As Amended June 22, 2026

SENATE VOTE: 39-0

SUBJECT: Local agencies: nondisclosure agreements

SUMMARY: Prohibits local agency officials, when acting in their official capacity, from entering into nondisclosure agreements relating to public business that precludes their ability to share information with fellow local public officials. Specifically, **this bill**:

1) Prohibits a local agency official acting in their official capacity from entering into or requesting that another individual enter into a nondisclosure agreement relating to public business that precludes their ability to share information with fellow local agency officials serving on the same council, board, commission, district, or agency.

2) Provides that, notwithstanding any other law, a local agency official who violates the provision in 1), above, is subject to both of the following:

   a) The local agency official shall be disqualified from voting on, participating in deliberations on, or attempting to influence decisions related to the subject matter of the nondisclosure agreement.

   b) The local agency official shall disclose the existence of the nondisclosure agreement, but not its contents to the extent that disclosure of the contents would violate the agreement, and recuse themselves from related matters.

3) Provides that, notwithstanding any other law, the provisions in 2), above, shall also apply to a local agency official acting in their official capacity who entered into, or requested that another individual enter into, a nondisclosure agreement described in 1), above, before January 1, 2027.

4) Provides that any nondisclosure agreement relating to public business that precludes the ability of a local agency official to share information with fellow local agency officials serving on the same council, board, commission, district, or agency and that is entered into or requested by a local agency official acting in their official capacity on or after January 1, 2027, shall be void and unenforceable.

5) Prohibits an employee of a local agency or a local agency official acting in their official capacity from entering into, or requesting that another individual enter into, a nondisclosure agreement relating to public business that precludes their ability to share information with the local agency official who they serve or the governing body of the local agency that employs them.

6) Provides that any nondisclosure agreement relating to public business that precludes the ability of a local agency official acting in their official capacity to share information with the local agency official who they serve under or the governing body of the local agency that

employs them, and that is entered into or requested by staff of a local agency official on or after January 1, 2027, shall be void and unenforceable.

7) Provides, notwithstanding any other law, a local agency official in violation of the provision in 5), above, shall disclose the existence of the nondisclosure agreement, but not its content to the extent that disclosure of the contents would violate the agreement, and shall recuse themself from related matters. This provision shall also apply to a local agency official acting in their official capacity who entered into, or requested that another individual enter into, a nondisclosure agreement described in 5), above, before January 1, 2027.

8) Provides that this bill does not apply to a nondisclosure agreement that has been authorized by vote of the local agency's governing body, with all members concurring, before the agreement's execution.

9) Defines the following:

   a) "Local agency" means a city, county, city and county, local agency formation commission, special district, school district, county office of education, or charter school.

   b) "Local agency official" means any elected or appointed official of a local agency, any employee of a local agency, or any person serving on a board or commission of a local agency.

10) Provides that this bill shall not be construed to imply that local agency officials are authorized or advised to enter into nondisclosure agreements precluding information from the public.

11) Provides that, if the Commission on State Mandates determines that this bill contains costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made, as specified.

EXISTING LAW:

1) Provides that the people have the right of access to information concerning the conduct of the people's business and, therefore, the writings of public officials and agencies shall be open to public scrutiny. Specifies that any law or rule that limits the public right of access shall be adopted with findings demonstrating the interest protected by the limitation. (California Constitution, art. I, Sec. 3.)

2) Provides that, in enacting the California Public Records Act, the Legislature, mindful of the right of individuals to privacy, finds and declares that access to information concerning the conduct of the people's business is a fundamental and necessary right of every person in this state. (Government Code Section 7921.000.)

3) Prohibits a Member of the Legislature acting in their official capacity from entering into, or requesting that another individual enter into, a nondisclosure agreement relating to the drafting, negotiation, or discussion of proposed legislation. (Government Code Section 8923 (a).)

4) Provides that the prohibition in 3) does not apply to a nondisclosure agreement that prevents only the disclosure of trade secrets, financial information, or proprietary information. (Government Code Section 8923 (c).)

5) Establishes the Ralph M. Brown Act, finds and declares that the public commissions, boards and councils and the other public agencies in this state exist to aid in the conduct of the people's business, and provides that local public agencies are to conduct business openly and that their deliberations be conducted openly. (Government Code Section 54950 *et seq.*)

FISCAL EFFECT: According to the Senate Appropriations Committee, pursuant to Senate Rule 28.8, negligible state costs.

COMMENTS:

1) **Bill Summary**. This bill prohibits a local government official acting in their official capacity from entering into, or requesting that another individual enter into, a nondisclosure agreement relating to public business that precludes their ability to share information with fellow local government officials serving on the same council, board, commission, district, or agency. A local government official who violates this bill shall be disqualified from taking actions related to the subject matter of the nondisclosure agreement and must disclose the existence of the nondisclosure agreement.

   These provisions also apply to a local government official acting in their official capacity who entered into, or requested that another individual enter into, a nondisclosure agreement described above before January 1, 2027.

   This bill also prohibits an employee of a local agency or a local agency official acting in their official capacity from entering into, or requesting that another individual enter into, a nondisclosure agreement relating to public business that precludes their ability to share information with the local government official who they serve or the governing body that employs them. A person who violates this provision shall disclose the existence of the nondisclosure agreement, but not its contents if this would violate the nondisclosure agreement, and recuse themselves from related matters.

   Any nondisclosure agreement specified in this bill that is entered into after January 1, 2027, is void and unenforceable.

   This bill provides an exception for a nondisclosure agreement that has been authorized by vote of the local agency's governing body, with all members concurring, before the agreement's execution.

   This bill defines "local government official" to mean any public official serving on behalf of a city, county, local agency formation commission, special district, or local educational agency, as specified, and would exempt from its provisions a local government official serving on behalf of a charter city or charter county.

   This bill is sponsored by the author.

2) **Author's Statement**. According to the author, "The act of collective deliberation based on information in the public record is the foundation of representative government. That responsibility is undermined when officials sign NDAs that prevent them from sharing information with the very governing body they serve, the very governing board vested with public authority. SB 994 extends to local government the same principle the Legislature adopted for itself in 2025. No elected or appointed official, nor their staff, should have a legally enforceable monopoly on information that is not available to their fellow members; such NDAs break the chain of democratic legitimacy from the people to the officials they elect. SB 994 voids any such agreement entered into after its effective date and requires officials who entered into one before that date to disclose its existence and recuse themselves from related decisions.

   "At the same time, SB 994 is carefully crafted to protect legitimate interests while preserving the public's right to open government when there is a genuine and narrowly tailored need for confidentiality, a governing body can still enter into an NDA permissible under existing law. An agency executive or mayor could also do so, but only if the NDA does not preclude the sharing of all information covered by the agreement with the governing body itself."

3) **Background**. Article I, Section 3 of the California Constitution guarantees that "the people have the right to instruct their representatives, petition government for redress of grievances, and assemble freely to consult for the common good." This includes a right to access information concerning the meetings and writings of public officials. To ensure that the right to openly scrutinize public agencies is maintained, the Constitution requires local agencies to comply with certain state laws that outline the basic requirements for public access to meetings and public records. If a subsequent bill modifies these laws, it must include findings demonstrating how it furthers the public's access to local agencies and their officials.

4) **Contracts**. While there are some exceptions – most notably in emergency situations – a local government's decision to contract out work is a public one. The decision to award the contract must be done at a public meeting and the contract itself and other supporting documents are subject to release under the California Public Records Act (CPRA). For cities that have not adopted a city charter, the mayor must sign all written contracts, but the city council can authorize someone else to sign contracts. Cities that have adopted charters can determine who can sign contracts in their city charter.

5) **Nondisclosure Agreements**. A nondisclosure agreement (NDA) is a provision in a contract that binds the parties to secrecy regarding information specified in the contract. NDAs typically specify that damages will be imposed if a party violates the NDA. State law generally does not determine what NDAs local agencies can enter into with private parties. As an exception, the Legislature prohibited local agencies from signing NDAs regarding a warehouse distribution center within its jurisdiction as part of negotiations or in the contract for any economic development subsidy (AB 485, Medina, 2019).

6) **Recent NDA Controversies**. NDAs have been the subject of ongoing controversy at the state and local level. After revelations that members of the Legislature had entered into NDAs prohibiting disclosure of information related to legislative negotiations, AB 1370 (Patterson, 2025) prohibited members of the Legislature acting in their official capacity from entering into, or requesting that another individual enter into, a nondisclosure agreement

relating to the drafting, negotiation, or discussion of proposed legislation. The legislation also provided that any such nondisclosure agreement entered into or requested by a member of the Legislature after the effective date of the new law would be void and unenforceable.

Local agencies have also faced criticism over NDAs. For example, in 2022 the City of Salinas signed an NDA with a property company seeking to locate an Amazon warehouse in the City that prohibited disclosure to the public.[1] The City Council faced public scrutiny once the public discovered the existence of an NDA regarding the large warehouse project.

In 2025, rumors circulated that individual officials of Suisun City had signed NDAs with the California Forever project. California Forever is a development group backed by a group of venture capitalists, with the goal to build a new community in Solano County to attract an initial 50,000 residents. Plans for the project could eventually allow up to 400,000 residents, doubling the County of Solano's population. Unlike NDAs that prohibited disclosure to the public, like in Salinas, it is rumored that individual local officials signed NDAs that prohibited disclosure to other members of the city council. In response, the City updated its policies on NDAs so that, "Those entering into NDAs would have to disclose to the rest of the council that they have done so at the next meeting…and the NDA itself would be disclosable under the Public Records Act."[2]

7) **Arguments in Support**. ACLU California Action writes, "The California Constitution, Article I, Section 3(b), establishes that 'the people have the right of access to information concerning the conduct of the people's business.' The ACLU works to protect an expansive democracy by defending Californians' right to fully participate in civic meetings and processes, as well as to access government documents that belong to the public.

"Local government officials have been asked to sign NDAs that prevent them from discussing public business with members of the agency governing board, which is vested with legal authority and accountability to the public. This practice undermines the constitutional right of the people to access information concerning the conduct of the people's business and prevents officials from fulfilling their duty to deliberate collectively on behalf of their constituents.

"No appointed staff member or policymaker should be permitted to withhold information from the governing body, and no individual member should have a legally enforceable monopoly on information which is not available to other governing body members. Such NDAs break the chain of democratic legitimacy from the people to the officials they elect.

"In 2025, the Legislature prohibited state legislators from entering into similar agreements through AB 1370. SB 994 extends that same prohibition to local government officials, ensuring that democratic accountability is not compromised at any level."

8) **Arguments in Opposition**. None on file.

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[1] https://www.montereycountynow.com/opinion/mcnow_intro/was-it-the-right-decision-for-salinas-to-sign-a-nondisclosure-agreement-regarding-a-planned/article_ef32fe46-c035-11ec-b042-0ffba590be83.html
[2] https://www.msn.com/en-us/news/us/suisun-city-council-discusses-conduct/ar-AA1UGSWx

9) **Double-Referral**. This bill is double-referred to the Judiciary Committee, where it passed on a 12-0 vote on June 9, 2026.

REGISTERED SUPPORT / OPPOSITION:

Support

California Association of Nonprofits
California Common CAUSE (if amended)
Center for Biological Diversity
Climateplan
Community Alliance With Family Farmers
Greenbelt Alliance
Leadership Counsel for Justice and Accountability
League of Women Voters of California
Northern Solano Democratic Club
Oakland Privacy
Planning and Conservation League
Progressive Democrats of Benicia
Solano County Democratic Central Committee
Solano County Orderly Growth Committee
Solano Together
The Greenlining Institute
United Democrats of Southern Solano County
Western Center on Law & Poverty, INC.

Opposition

None on file

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