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## SENATE COMMITTEE ON APPROPRIATIONS

Senator Anna Caballero, Chair  
2025 - 2026 Regular Session

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### AB 1370 (Patterson) - State Legislature: nondisclosure agreements

**Version:** June 23, 2025

**Urgency:** No

**Hearing Date:** August 18, 2025

**Policy Vote:** JUD. 13 - 0, E. & C.A. 5 - 0

**Mandate:** Yes

**Consultant:** Liah Burnley

**Bill Summary:** AB 1370 prohibits Members of the Legislature from entering into nondisclosure agreements relating to proposed legislation, as specified.

#### Fiscal Impact:

- Unknown, potentially significant costs to the state funded trial court system (Trial Court Trust Fund, General Fund) to adjudicate the new crime created by this bill. Defendants are constitutionally guaranteed certain rights during criminal proceedings, including the right to a jury trial and the right to counsel (at public expense if the defendants are unable to afford the costs of representation). Increasing penalties leads to lengthier and more complex court proceedings with attendant workload and resource costs to the court. The fiscal impact of this bill to the courts will depend on many unknowns, including the numbers of people charged with an offense and the factors unique to each case. An eight-hour court day costs approximately \$10,500 in staff in workload. This is a conservative estimate, based on the hourly rate of court personnel including at minimum the judge, clerk, bailiff, court reporter, jury administrator, administrative staff, and jury per-diems. If court days exceed 10, costs to the trial courts could reach hundreds of thousands of dollars. While the courts are not funded on a workload basis, an increase in workload could result in delayed court services and would put pressure on the General Fund to fund additional staff and resources and to increase the amount appropriated to backfill for trial court operations.
- Unknown, potentially significant costs (local funds, General Fund) to the counties to incarcerate people for the crime created by this bill. The average annual cost to incarcerate one person in county jail varies by county, but likely ranges from \$70,000 to \$90,000 per year. For example, in 2021, Los Angeles County budgeted \$1.3 billion for jail spending, including \$89,580 per incarcerated person. Actual incarceration costs to counties will depend on the number of convictions and the length of each sentence. Generally, county incarceration costs are not reimbursable state mandates pursuant to Proposition 30 (2012).
- Unknown, potentially significant costs (General Fund) to the Department of Corrections and Rehabilitation (CDCR) to incarcerate people for the felony expanded by this bill. The Legislative Analyst's Office (LAO) estimates the average annual cost to incarcerate one person in state prison is \$133,000. If even if just one person is sentenced to state prison for one year under this bill, it will add significant costs pressures to CDCR.

**Background:** The Legislative Code of Ethics sets forth rules to govern those who govern. Both the California Constitution and the Government Code contain provisions intended to ensure ethical behavior and prevent conflicts of interest of legislators and their staff. Under Government Code section 8926, every person who knowingly and willfully violates any provision of the Code of Ethics is guilty of a misdemeanor. Every person who conspires to violate the Code of Ethics is guilty of a felony.

**Proposed Law:**

- Adds a provision to the Code of Ethics that would prohibit any 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.
- Provides that any nondisclosure agreement relating to the drafting, negotiation, or discussion of proposed legislation entered into or requested by a Member of the Legislature after the effective date of this section shall be void and unenforceable.
- Allows a Member of the Legislature to enter into or request a nondisclosure agreement that prevents only the disclosure of trade secrets, financial information, or proprietary information.
- Defines all of the following:
  - “Discussion” as direct or indirect communications engaged in by individuals for the purpose of reaching a decision regarding proposed legislation;
  - “Drafting” as developing language for proposed legislation to be considered by the Legislature; and,
  - “Negotiation” as any form of direct or indirect communication whereby individuals who have opposing interests discuss the form of any proposed legislation that may resolve a dispute involving those interests.

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