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# SENATE COMMITTEE ON LOCAL GOVERNMENT

Senator María Elena Durazo, Chair

2025 - 2026 Regular

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<b>Bill No:</b>	SB 994	<b>Hearing Date:</b>	4/22/26
<b>Author:</b>	Cabaldon	<b>Fiscal:</b>	Yes
<b>Version:</b>	2/5/26	<b>Consultant:</b>	Peterson

## ***LOCAL GOVERNMENT: NONDISCLOSURE AGREEMENTS***

*Prohibits certain types of nondisclosure agreements that prohibit disclosure of information to members of the same governing body.*

### **Background**

**Public access.** 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.

**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.

**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).

**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.<sup>1</sup> 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."<sup>2</sup>

The author wants to prohibit NDAs that prohibit disclosure to other members of a governing body.

### **Proposed Law**

Senate Bill 994 prohibits two types of nondisclosure agreements (NDAs).

First, SB 994 prohibits local government officials acting in their official capacity from entering into, or requesting that another individual enter into, a nondisclosure agreement (NDA) relating to public business that precludes them from sharing information with fellow local government officials serving on the same local agency board. If a local government official violates this provision, they are disqualified from voting on, participating in deliberations on, or attempting to influence decisions related to the subject matter of the NDA. The official must also disclose the existence of the NDA, but not its contents if disclosing them would violate the NDA, and recuse themselves from related matters. Such NDAs entered into starting on January 1<sup>st</sup>, 2027, are void and unenforceable. The disclosure requirement also applies to officials who entered into NDAs before January 1, 2027.

Second, SB 994 also prohibits staff of a local government official acting in their official capacity from entering into, or requesting that another individual enter into, a nondisclosure agreement (NDA) relating to public business that precludes them from sharing information with the local government official who they serve under. Such NDAs entered into starting on January 1<sup>st</sup>, 2027, are void and unenforceable.

SB 994 also provides that it does not apply to NDAs that prevent only the disclosure of trade secrets, financial information, or proprietary information. Additionally, the measure specifies that it does not apply to charter cities or counties.

For SB 994, local government official means any of the following:

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<sup>1</sup> [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-b042-0ffb590be83.html](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-b042-0ffb590be83.html)

<sup>2</sup> <https://www.msn.com/en-us/news/us/suisun-city-council-discusses-conduct/ar-AA1UGSWx>

- A city council member;
- A city manager;
- A mayor;
- A planning commissioner;
- A county administrator;
- A county board of supervisors;
- A local agency formation commissioner;
- A member of the legislative body of a special district;
- A superintendent of schools; or
- A school board member.

### Comments

1. Purpose of the bill. 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.”

2. What about the public? NDAs vary in terms of the information they prohibit disclosing, and to whom they prohibit disclosing that information. SB 994 addresses two specific types of NDAs:

- Those that prohibit a staff member from disclosing information to the staff they serve under; and
- Those that prohibit one local agency official from sharing information with another member of same local agency.

The measure does not address what types of NDAs that prohibit disclosure to the public should be allowed. One could infer from SB 994’s enactment that the Legislature made a conscious decision to allow NDAs that prohibit disclosure to the public. However, the Legislature has not recently considered legislation regarding NDAs more broadly. To avoid any such interpretation, the Legislature may wish to consider amending the bill to provide that the measure should not be construed to imply that local agency officials are authorized or advised to enter into nondisclosure agreements precluding disclosure of information from the public.

3. What’s so secret? SB 994 still allows NDAs that prohibit a local agency officials from sharing information with members of a local agency that employs them or their fellow governing body

members in cases of protecting trade secrets, financial information, or proprietary information. While NDAs between a local agency and a private entity can protect this information from the competitors if released to the public at large, why would it would be necessary for anyone to sign an agreement that precludes sharing information with their governing bodies as a whole even if they are working with trade secrets, financial information, or proprietary information? The Committee may wish to consider amending the bill to remove the ability for local agency officials to enter into NDAs that preclude them from sharing with other local agency officials when it comes to trade secrets, financial information, or proprietary information.

4. Charter cities. The California Constitution allows cities that adopt charters to control their own “municipal affairs.” In all other matters, charter cities must follow the general, statewide laws. Because the Constitution doesn’t define “municipal affairs,” the courts determine whether a topic is a municipal affair or whether it’s an issue of statewide concern. SB 994 provides that its provisions do not apply to charter cities or counties. This means in 121 cities and 13 counties SB 994 does not apply. Even though the Constitution gives charter cities the authority to enact laws to control their municipal affairs, they still must follow general, statewide laws. If SB 994 did not include this provision these entities would have to follow SB 994’s provisions unless their charter had a rule against it. The Committee may wish to consider amending the bill to remove this provision so that these charter cities and counties can decide whether this general law applies to them or not.

5. Let’s be clear. Committee staff recommend the following clarifying amendments:

- SB 994 does not include a definition of “local agency.” To avoid confusion over what agencies the measure applies, the Committee may wish to consider amending the bill to define local agency and make conforming changes to the definition of “local agency official.”
- SB 994 prevents staff from signing NDAs that prohibit disclosure of information to the official they serve under. However, many city staff do not directly serve under a single official. For example, a city manager does not serve any particular city council member, but the governing body as a whole. To avoid confusion the types of NDAs SB 994 applies to, the Committee may wish to consider amending the bill to clarify which staff it applies to.
- SB 994 does not declare existing NDAs null and void. Instead, it requires local agency officials to announce the existence of NDAs already entered into. However, this provision does not extend to employees of a local agency. The Committee may wish to consider amending the bill to include a similar provision for local agency employees.

6. Incoming! The Senate Rules Committee has ordered a double referral of SB 994: first to the Committee on Judiciary, which approved the bill at its March 24<sup>th</sup> hearing on a vote of 12-0, and second to the Committee on Local Government.

### **Support and Opposition** (4/17/2026)

Support: California Association of Nonprofits  
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 Orderly Growth Committee  
Solano Together  
United Democrats of Southern Solano County  
Western Center on Law & Poverty, INC.  
One Individual

Opposition: None Submitted

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