

Date of Hearing: June 9, 2026

ASSEMBLY COMMITTEE ON JUDICIARY
Ash Kalra, Chair
SB 994 (Cabaldon) – As Amended April 23, 2026

SENATE VOTE: 39-0

SUBJECT: LOCAL AGENCIES: NONDISCLOSURE AGREEMENTS

SYNOPSIS

Nondisclosure agreements are contractual provisions that bind the parties to secrecy regarding information specified in the contract. These agreements generally prohibit parties from disclosing the specified information to anyone who is not a party to the contract and often provide for the damages that will be imposed if a party shares information in violation of the nondisclosure agreement. In the past several years, the Legislature has considered several measures designed to limit or prohibit settlement agreements that prevent plaintiffs and complainants from disclosing information about alleged wrongdoing. Secrecy agreements and nondisclosure agreements, even when they serve the interests of the parties involved, raise important public policy questions when they conceal particularly egregious behavior, illegal activity, or an ongoing threat to public safety. Recently, concerns have also been raised regarding the use of nondisclosure agreements in public policy making and that these agreements may be undermining the state's open record laws.

Addressing the fallout from allegations that nondisclosure agreements were used to shield legislative deliberations from public view, in 2025, the Legislature enacted AB 1370 (Patterson) Chap. 191, Stats. 2025, to prohibit members and staff of the Legislature from entering into nondisclosure agreements related to legislative negotiations. This bill would build on that effort and extend the prohibition on nondisclosure agreements to local agency officials and staff, recognizing that transparent policy making is just as important at the local level as at the state level.

This author-sponsored measure enjoys support from numerous good government and non-profit organizations. The proponents of the bill highlight the need to buttress California's robust laws requiring public policymaking to be conducted in view of the public. This bill has no known opposition and if approved by this Committee will subsequently be referred to the Committee on Local Government.

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 the 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 that violates the provision of 1) is subject to both of the following:

- a) The local agency official is to be disqualified from voting on, participating in deliberations on, or attempting to influence decisions related to the subject matter of the nondisclosure agreement; and
 - b) The local agency official must 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 any nondisclosure agreement relating to public business, adopted on or after January 1, 2027, that precludes the ability of a local agency official to share information with fellow local agency official 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 is void and unenforceable.
 - 4) Prohibits an employee of a local agency or a local agency official acting in their official capacity from entering into, or request 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.
 - 5) Provides that any nondisclosure agreement violating 4) entered into on or after January 1, 2027 is void and unenforceable.
 - 6) 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; and
 - 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.
 - 7) Provides that nothing in the bill is to be construed to imply that local agency officials are authorized or advised to enter into nondisclosure agreements precluding information from the public.

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: As currently in print this bill is keyed fiscal.

COMMENTS: Following the enactment of AB 257 (Holden) Chap. 246, Stats. 2022, which authorized the Fast Food Council within the Department of Industrial Relations for the purpose of establishing sector-wide minimum standards, a coalition of franchisors sought to repeal the bill through a ballot initiative. According to investigative reports, allegations surfaced that those involved in negotiating subsequent amendments to AB 257, in return for removing the referendum measure from the ballot, signed nondisclosure agreements. (Ashley Zavala, *Non-disclosure agreements were used in negotiations of California's landmark fast food worker law*, KCRA News (Mar. 7, 2024), available at <https://www.kcra.com/article/california-fast-food-law-panera-newsom-nda/60117858>.)

Those allegations spurred legislation designed to limit the use of nondisclosure agreements in state government. This bill builds on those efforts by eliminating the use of nondisclosure agreements for local elected officials and local agency staff. In support of this measure, the author states:

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.

What is a nondisclosure agreement and how has the Legislature addressed their proliferation?
A nondisclosure agreement is a provision in a contract that binds the parties to secrecy regarding

information specified in the contract. These agreements generally prohibit parties from disclosing the specified information to anyone who is not a party to the agreement and often provide for contract damages to be imposed if a party shares information in violation of the nondisclosure agreement. Traditionally, these agreements are used to protect sensitive and confidential information, including trade secrets, proprietary information, and negotiation tactics, as well as potentially embarrassing information that is, or could be, the subject of a civil lawsuit.

Following the revelations of the #MeToo movement, it became clear that nondisclosure agreements were being utilized to silence survivors and protect abusers. Notably, many of the #MeToo era's worst offenders including Harvey Weinstein and Larry Nassar, relied on the use of nondisclosure agreements to shield abuse allegations from the public. Largely in response to these revelations, the Legislature enacted SB 820 (Leyva) Chap. 953, Stats. 2018, which prohibited any provision in a settlement agreement that prevents disclosure of factual information related to a cause of action alleging sexual abuse, sexual harassment, or any workplace harassment or discrimination based on sex. Following SB 820, the Legislature adopted SB 331 (Leyva) Chap. 638, Stats. 2021, to prohibit the use of nondisclosure agreements to settle employment and housing-related legal claims involving unlawful harassment, discrimination, or related retaliation of any kind, with limited exceptions when requested by the complainant. Accordingly, the existing law now prohibits the inclusion of a nondisclosure agreement within a settlement agreement of a civil action if the action is based upon an act that could be prosecuted as a felony sexual assault, child abuse, or elder abuse because of the threat that secrecy would pose to particularly vulnerable groups, including sexual assault survivors, children, and the elderly.

The #MeToo era efforts to reign in nondisclosure agreements took on renewed energy following the above-mentioned controversy surrounding AB 257. Seeking to ensure that nondisclosure agreements could not shield legislative deliberations, in 2025, the Legislature enacted AB 1370 (Patterson) Chap. 191, Stats. 2025, to prohibit members and staff of the Legislature from entering into nondisclosure agreements related to legislative negotiations. This year, the author of that measure is seeking to expand AB 1370 to cover state agency staff and deliberations surrounding the regulatory process. To that end, AB 1652 (Patterson, 2026), which is presently awaiting hearing in the Senate Committee on Judiciary, would generally prohibit nondisclosure agreements across state government.

This bill would prohibit the use of nondisclosure by local government decision makers. This bill would build upon AB 1370 and prohibit the use of nondisclosure agreements by local government officials when acting in their official capacity on public business. The bill requires a public official to disclose previously signed nondisclosure agreements, and mandates recusal on matters subject to the agreement, while simultaneously banning new nondisclosure agreements starting in January 2027.

This bill advances the spirit of the existing law, most notably the Ralph M. Brown Act, which requires state and local agencies to conduct the public's business in public. This bill simply prevents a nondisclosure agreement from seeking to circumvent the spirit of the Brown Act.

ARGUMENTS IN SUPPORT: This bill enjoys support from several government transparency organizations and public interest advocates. In support of the measure, the League of Women Voters writes:

SB 994 reinforces a basic principle of democratic governance: local officials should not be cut off from information they need to carry out public business. Like state legislators under last year's AB 1370 (Patterson), local officials have a constitutional duty to conduct the people's business openly and to deliberate collectively with their colleagues on matters of public concern. When NDAs are used in connection with public business, they can obstruct collective deliberation, limit informed decision-making, and undermine the transparency the public is entitled to expect from local government - preventing governing bodies from fulfilling their responsibility to inform the public.

The League has long supported both the public's right to know and meaningful participation in government. Those principles depend not only on public access to information, but also on the ability of members of a governing body to receive information relevant to the decisions before them. A local official should not be able to use a private confidentiality agreement to withhold information about public business from fellow officials who share responsibility for governing.

REGISTERED SUPPORT / OPPOSITION:

Support

ACLU California Action
California Association of Nonprofits
Center for Biological Diversity
Climateplan
Greenbelt Alliance
Leadership Counsel for Justice and Accountability
League of Women Voters of California
Oakland Privacy
Planning and Conservation League
Progressive Democrats of Benicia
Solano County Orderly Growth Committee
Solano Together
United Democrats of Southern Solano County

Opposition

None on file

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