

SENATE THIRD READING
SB 34 (Umberg)
As Amended August 8, 2022
Majority vote

SUMMARY

This bill voids a contract that is entered into because of a violation of anti-corruption laws for public agents, as specified. Specifically, these provisions apply to contracts executed on or after to January 1, 2023, including contracts negotiated prior to that date.

Major Provisions

This bill clarifies that a contract entered into by a public agent who was acting in violation of Penal Code Section 68 or Penal Code Section 86 is void.

COMMENTS

Existing law governs the bidding and awarding of public contracts by public entities. It also makes it a crime for a public official to ask, receive or ask to receive a bribe to influence the official's vote or other actions.

According to the Author

"SB 34 declares that certain contracts would be considered void if they were formed in connection to a bribe of a public official.

SB 34 comes as a response to recent political and legal malfeasance. In May of 2022, the mayor of Anaheim, Harry Sidhu, announced he would be stepping down from public office, having been accused by the FBI of solicitation, bribery, and obstruction of justice. The majority of the accusations have been centered on the city's plan to sell public land to the Los Angeles Angels. Investigators have alleged that the mayor of Anaheim hoped to solicit \$1 million in campaign contributions from the Angels in exchange for assistance in the deal.

Current law governs the bidding and awarding of public contracts by public entities. Existing law also makes it a crime for a public official to ask, receive, or agree to receive, any bribe, upon an understanding that their judgement, or action will be influenced. SB 34 declares a contract void if it was entered into while committing the above crime.

It is my hope that SB 34 is one small step towards restoring the trust and faith of Anaheim residents in their public officials."

Arguments in Support

None on File

Arguments in Opposition

None on File

FISCAL COMMENTS

According to the Assembly Appropriations Committee, this bill poses no state costs. The Department of General Services (DGS) explains any contract entered into because of a violation

of Penal Code Sections 68 or 86, relating to bribery of a state or local public official, likely also violates Government Code Section 1090, which prohibits a state or local officer or employee from being financially interested in a contract. A bribe, kickback or other expectation of financial reward likely constitutes a prohibited financial interest. Existing case law holds that a Section 1090 violation not just renders a contract voidable, but automatically void. Thus, DGS does not anticipate any fiscal effect from this bill.

VOTES

SENATE FLOOR: 30-4-6

YES: Allen, Archuleta, Atkins, Becker, Caballero, Cortese, Dodd, Durazo, Eggman, Glazer, Gonzalez, Hertzberg, Hueso, Hurtado, Kamlager, Laird, Leyva, Limón, McGuire, Newman, Nielsen, Pan, Portantino, Roth, Rubio, Skinner, Stern, Umberg, Wieckowski, Wiener

NO: Grove, Jones, Ochoa Bogh, Wilk

ABS, ABST OR NV: Bates, Borgeas, Bradford, Dahle, Melendez, Min

ASM ACCOUNTABILITY AND ADMINISTRATIVE REVIEW: 7-0-0

YES: Petrie-Norris, Patterson, Gray, Lackey, Medina, Rodriguez, Wilson

ASM APPROPRIATIONS: 14-0-2

YES: Holden, Bigelow, Bryan, Calderon, Carrillo, Davies, Mike Fong, Fong, Gabriel, Levine, Quirk, Robert Rivas, Akilah Weber, Wilson

ABS, ABST OR NV: Megan Dahle, Eduardo Garcia

UPDATED

VERSION: August 8, 2022

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