

**CITY OF PASADENA**

**MEMORANDUM**

**To:** Honorable Mayor and Members of the City Council

**From:** Michele Beal Bagneris, City Attorney  
Theresa E. Fuentes, Deputy City Attorney *SB*

**Date:** August 7, 2006

**Re:** Clarification to Taxpayer Protection Amendment

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The Legislative Policy Committee of the City Council recommended that the following sentence be added to Section 1704(d) of the Taxpayer Protection Amendment ("TPA"):

"The prohibition on campaign contributions set forth in the preceding sentence shall also apply to officers, directors, trustees and 10% shareholders of the entity bidding on a contract with the City, but shall not apply to employees of the entity who are not officers, directors, trustees or 10% shareholders thereof."

On further review of this proposed language, the City Attorney's Office recommends that the sentence be modified as follows, so that it is internally consistent with the remainder of the TPA and so that it more fully captures the intent of the amendment to Section 1704(d) as discussed by the Legislative Policy Committee:

"The prohibition on campaign contributions set forth in the preceding sentence shall also apply to trustees, directors, partners, officers, and 10% equity, participation, or revenue interest holders of the entity bidding on a contract with the City, but shall not apply to employees of the entity who are not trustees, directors, partners, officers, and 10% equity, participation, or revenue interest holders of the entity."

The attachment hereto replaces page four of the Proposal to Amend the Charter of the City of Pasadena, Article XVII, Taxpayer Protection, which is Exhibit A to Agenda Item No. 7.C.1.

or from the time negotiations commence, whichever is earlier, until the negotiations have terminated. The prohibition on campaign contributions set forth in the preceding sentence shall also apply to trustees, directors, partners, officers, and 10% equity, participation, or revenue interest holders of the entity bidding on a contract with the City, but shall not apply to employees of the entity who are not trustees, directors, partners, officers, and 10% equity, participation, or revenue interest holders of the entity. When negotiations have terminated, this Article continues to apply to the public benefit recipient. This section does not apply to low bid contracts as defined by the City Charter.

**Section 1705. APPLICABLE PUBLIC BENEFICIARIES SECTION.  
RESPONSIBILITIES OF CITY PUBLIC OFFICIALS AND  
ADVANTAGE RECIPIENTS.**

(a) City public officials shall practice due diligence to ascertain whether or not a benefit defined under Section 1703(a) has been conferred, and to monitor personal or campaign advantages enumerated under Section 1703(c) so that any such qualifying advantage received is returned forthwith, and no later than ten days after its receipt.

(b) City public officials shall provide, upon inquiry by any person, the names of all entities and persons known to them who respectively qualify as public benefit recipients under the terms of Sections 1703 and 1704.

(c) All information compiled by city offices in compliance with Section 1705(a) and (b) shall be posted on the City of Pasadena website for public access.

**Section 1706. DISCLOSURE OF THE LAW.**

The City shall provide any person, corporation, firm, partnership, association, or other person or entity applying or competing for any benefit enumerated in Section 1703(a) with written notice of the provisions of this Article and the future limitations it imposes. Said notice shall be incorporated into requests for “proposal,” bid invitations, or other existing informational disclosure documents to persons engaged in prospective business with, from, or through the City.

**Section 1707. PENALTIES AND ENFORCEMENT.**

(a) In addition to all other penalties which might apply, any knowing and willful violation of this Article by a public official constitutes a criminal misdemeanor offense. The City Attorney is responsible for enforcing violations of this Article except as to violations by members of the City Council, which shall be referred to the Los Angeles County District Attorney’s office for investigation and prosecution.

(b) A civil action may be brought under this Article against a public official who receives a personal or campaign advantage in violation of Section 1704. A finding of liability shall subject the public official to the following civil remedies:

(1) restitution of the personal or campaign advantage received, which shall accrue to the general fund of the City;

(2) a civil penalty of up to five times the value of the personal or campaign advantage received;