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**GOVERNMENT CODE - GOV**

**TITLE 5. LOCAL AGENCIES [50001 - 57607]** ( Title 5 added by Stats. 1949, Ch. 81. )

**DIVISION 2. CITIES, COUNTIES, AND OTHER AGENCIES [53000 - 55821]** ( Division 2 added by Stats. 1949, Ch. 81. )

**PART 1. POWERS AND DUTIES COMMON TO CITIES, COUNTIES, AND OTHER AGENCIES [53000 - 54999.7]** ( Part 1 added by Stats. 1949, Ch. 81. )

**CHAPTER 2. Officers and Employees [53200 - 53299]** ( Chapter 2 added by Stats. 1949, Ch. 81. )

**ARTICLE 3.5. Employment Contracts [53260 - 53264]** ( Article 3.5 added by Stats. 1992, Ch. 962, Sec. 6. )

**53260.** (a) All contracts of employment between an employee and a local agency employer shall include a provision that provides that regardless of the term of the contract, if the contract is terminated, the maximum cash settlement that an employee may receive shall be an amount equal to the monthly salary of the employee multiplied by the number of months left on the unexpired term of the contract, with the following exceptions:

(1) If the unexpired term of the contract is greater than 18 months, the maximum cash settlement shall be an amount equal to the monthly salary of the employee multiplied by 18.

(2) In the case of a district superintendent of schools, for contracts of employment executed on or after January 1, 2016, the maximum cash settlement shall be an amount equal to the monthly salary of the employee multiplied by 12.

(b) (1) Notwithstanding subdivision (a), if a local agency employer, including an administrator appointed by the Superintendent, terminates its contract of employment with its district superintendent of schools, that local agency employer shall not provide a cash or noncash settlement to its superintendent in any amount if the local agency employer believes, and subsequently confirms, pursuant to an independent audit, that the superintendent has engaged in fraud, misappropriation of funds, or other illegal fiscal practices.

(2) This subdivision applies only to a contract for employment executed on or after January 1, 2016.

(c) The cash settlement formulas described in subdivision (a) are maximum amounts that may be paid by a local agency employer to an employee and not a target or example of the amount of the cash settlement to be paid by a local agency employer to an employee in all contract termination cases.

(Amended by Stats. 2015, Ch. 240, Sec. 1. (AB 215) Effective January 1, 2016.)

**53261.** The cash settlement specified in Section 53260 shall not include any other noncash items except health benefits, which may be continued for the same duration of time as covered in the settlement, pursuant to the same time limitations as provided in Section 53260, or until the employee finds other employment, whichever occurs first.

(Added by Stats. 1992, Ch. 962, Sec. 6. Effective September 28, 1992.)

**53262.** (a) All contracts of employment with a superintendent, deputy superintendent, assistant superintendent, associate superintendent, community college president, community college vice president, community college deputy vice president, general manager, city manager, county administrator, or other similar chief administrative officer or chief executive officer of a local agency shall be ratified in an open session of the governing body which shall be reflected in the governing body's minutes.

(b) Copies of any contracts of employment, as well as copies of the settlement agreements, shall be available to the public upon request.

(Added by Stats. 1992, Ch. 962, Sec. 6. Effective September 28, 1992.)

**53263.** For purposes of this article, "local agency" means any general law county, general law city, and any district, school district, community college district, municipal or public corporation, political subdivision, or public agency of the state, or any instrumentality

of any one or more of these agencies.

*(Added by Stats. 1992, Ch. 962, Sec. 6. Effective September 28, 1992.)*

**53264.** This article shall apply prospectively and shall affect any contract originally approved by the governing body, or any existing contract that is extended by the governing body, after the effective date of this article.

*(Added by Stats. 1992, Ch. 962, Sec. 6. Effective September 28, 1992.)*