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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 4. Financial Affairs [53600 - 53997] (Chapter 4 added by Stats. 1949, Ch. 81.)

ARTICLE 9. Financial Reports [53890 - 53897] (Article 9 added by Stats. 1949, Ch. 1521.)

53890. As used in this article, "local agency" means any city, county, any district, and any community redevelopment agency required to furnish financial reports pursuant to Section 12463.1 or 12463.3.

(Amended (as amended by Stats. 1984, Ch. 1523) by Stats. 1990, Ch. 1608, Sec. 4.)

53891. (a) The officer of each local agency who has charge of the financial records shall furnish to the Controller a report of all the financial transactions of the local agency during the preceding fiscal year. The report shall contain underlying data from audited financial statements prepared in accordance with generally accepted accounting principles, if this data is available. The report shall be furnished within seven months after the close of each fiscal year or within the time prescribed by the Controller, whichever is later, and shall be in the form and manner required by the Controller. A local agency shall submit to the Controller information on annual compensation, as described in subdivision (l) of Section 53892, for the previous calendar year no later than April 30th.

(b) The Controller shall prescribe uniform accounting and reporting procedures that shall be applicable to all local agencies except cities, counties, and school districts, and except for local agencies that substantially follow a system of accounting prescribed by the Public Utilities Commission of the State of California or the Federal Energy Regulatory Commission. The procedures shall be adopted under Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2. The Controller shall prescribe the procedures only after consultation with and approval of a local governmental advisory committee established pursuant to Section 12463.1. Approval of the procedures shall be by majority vote of the members present at a meeting of the committee called by the chairperson thereof.

(Amended by Stats. 2021, Ch. 224, Sec. 4. (SB 813) Effective January 1, 2022.)

53891.1. In lieu of the report required in Section 53891, hospital districts may submit to the Controller copies of any annual financial reports which the hospitals are required to submit to the California Health Facilities Commission or any portion thereof acceptable to the Controller, together with any supplemental report containing additional information as required by the Controller.

(Added by Stats. 1983, Ch. 1077, Sec. 3.)

53892. The report shall state all of the following:

(a) The aggregate amount of taxes levied and assessed against the taxable property in the local agency, which became due and payable during the next preceding fiscal year.

(b) The aggregate amount of taxes levied and assessed against this property collected by or for the local agency during the fiscal year.

(c) The aggregate income during the preceding fiscal year, a general statement of the sources of the income, and the amount received from each source.

(d) The total expenditures made by administrative departments during the preceding fiscal year, a general statement of the purposes of the expenditures, and the amounts expended by each department.

(e) The assessed valuation of all of the taxable property in the local agency as set forth on the assessment roll of the local agency equalized for the fiscal year, or, if the officers of the county in which the city or district is situated have collected for the city or district

the general taxes levied by the city or district for the fiscal year, the assessed valuation of all taxable property in the city or district as set forth on the assessment rolls for the county equalized for the fiscal year.

(f) The information required by Section 53892.2, as of the end of the fiscal year.

(g) The approximate population at the close of the fiscal year and the population as shown by the last regular federal census.

(h) Other information that the Controller requires.

(i) Any other matters necessary to complete and keep current the statistical information on assessments, revenues, and taxation, collected and compiled by any Senate or Assembly committee on revenue and taxation.

(j) In the case of cities, the information required by Section 53892.3.

(k) In the case of community redevelopment agencies, the information required by subdivisions (a), (b), and (g) of Section 33080.1 of the Health and Safety Code. The Controller shall forward the information required pursuant to subdivision (c) of Section 33080.1 of the Health and Safety Code to the Department of Housing and Community Development for publication pursuant to Section 33080.6 of that code.

(l) The annual compensation of a local agency's elected officials, officers, and employees in accordance with reporting instructions developed by the Controller pursuant to Section 53891 in consultation with affected local agencies. This subdivision shall not apply to a federal officer or employee serving in an official federal capacity in a local agency.

(Amended by Stats. 2014, Ch. 894, Sec. 2. (AB 2040) Effective January 1, 2015.)

53892.1. For the purpose of permitting the compilation of the financial transactions of school districts by the Controller as required by Section 12463, the Superintendent of Public Instruction shall make available to the Controller, on an as-needed basis and in the time, manner, and format as prescribed by the Controller, data and other matters required by this article by the Controller. The Superintendent shall derive the data and other matters required for purposes of this article by the Controller from reports furnished by school districts or by county officials to the Superintendent as provided by law. No school district or county superintendent of schools shall be required to furnish separate reports to the Controller by the provisions of this article. The Superintendent shall furnish average daily attendance or enrollment data in lieu of the general population data required of counties and other municipal corporations by this article. The Superintendent shall add to the report forms furnished by him or her items or other matters as may be agreed by the Superintendent and the Controller to be needed for the purposes of this article.

(Amended by Stats. 2012, Ch. 330, Sec. 12. (SB 1090) Effective January 1, 2013.)

53892.2. Pursuant to Section 53892, the report shall also contain the following information:

(a) For all issues of general obligation bonds, revenue bonds, improvement district bonds, limited obligation bonds, and special assessment bonds state:

(1) The purpose of the bonds.

(2) The amount of issued and unmatured bonds.

(3) The amount of any delinquent principal and interest payments which are due upon issued and matured bonds.

(4) The amount of authorized but unissued bonds.

(b) For each issue of general obligation bonds and improvement district bonds where the revenues of any revenue-producing enterprise have been pledged as additional security for such bonds, state the nature and extent of such pledge.

(c) For each issue of revenue bonds where any income, other than the revenues of the enterprise financed by said revenue bonds, has been pledged as additional security for said bonds, state the nature and extent of such pledge.

(d) For each issue of improvement district bonds state the assessed valuation of all taxable property in such improvement district, determined in the manner provided in subdivision (e) of Section 53892.

(e) For each issue of limited obligation bonds, state the nature and source of taxes from which principal and interest is payable.

(f) For special assessment bonds which are payable, directly or indirectly, from any source other than special assessments, state the nature and extent of such sources.

(g) For all lease-obligations state:

(1) The purpose of the lease-obligation.

(2) The nature of the lease-obligation, whether by lease, contract, or otherwise, and the parties thereto.

(3) The person, partnership, corporation, legal entity or governmental agency providing any moneys expended for making any acquisition or improvement authorized or required for the purpose of such lease-obligation.

(4) The total future rentals or other payments which would be required if the local agency completed the unexpired term of the lease-obligation.

(h) For construction financed by the United States or the State of California pursuant to a contract with, or a loan or grant to, the local agency:

(1) The date or purpose of the contract or grant.

(2) The maximum repayment obligation under the contract, and the amount expended by the United States or the State of California to date.

(3) The estimated payment schedule.

(4) The payments to date and delinquencies, if any.

The following definitions shall apply to this section:

"Bonds" means all bonds, warrants, notes or other evidences of indebtedness or liability for which the reporting local agency is liable for payment of principal and interest thereon.

"General obligation bonds" means bonds payable, both principal and interest, from the proceeds of ad valorem taxes or ad valorem assessments which may be levied within the entire territory of the local agency, without limitation as to rate or amount, upon all property subject to taxation or assessment.

"Revenue bonds" means bonds issued by a local agency payable, both principal and interest, from the revenues of a revenue-producing enterprise.

"Improvement district bonds" means bonds payable, both principal and interest, from the proceeds of ad valorem taxes or ad valorem assessments which may be levied within a fixed and defined portion or portions of the local agency, without limitation as to rate or amount, upon all property subject to taxation or assessment.

"Limited obligation bonds" means any bonds payable, both principal and interest, from any taxes, other than taxes or assessments levied upon property.

"Special assessment bonds" means any bonds issued to represent unpaid assessments upon lands in an area fixed and defined by the local agency, the lands within such area being specially benefited by and assessed or to be assessed to pay the costs and expenses of a public acquisition or improvement.

"Lease-obligations" means (i) leases for a term of more than 10 years under which the local agency is the lessee and has the right, by option or otherwise, to acquire ownership of the property leased or (ii) contracts whereby a local agency is obligated to make installment payments for a period of more than 10 years for an acquisition or improvement, such payments being made from a special fund, provided, that revenue bonds or any contract, indenture, resolution or ordinance providing for the issuance of revenue bonds shall not be deemed a lease-obligation.

The information required by this section shall be submitted in such form and detail as may be prescribed by the uniform reporting procedures adopted pursuant to Section 53891.

(Added by Stats. 1967, Ch. 1138.)

53892.3. Pursuant to Section 53892, the report shall, in the case of cities, also contain the following information:

(a) Total expenditures made during the next preceding fiscal year for the construction of public projects other than streets and highways.

(b) The total amount expended pursuant to competitive bidding during the next preceding fiscal year for the construction of public projects other than streets and highways.

The Legislature declares that in enacting this section there is no express or implied obligation on the part of cities to include costs of administrative overhead or any costs other than those directly expended for construction of public projects.

(Added by Stats. 1969, Ch. 212.)

53893. Upon the completion of the report the legislative body shall either post it in a conspicuous location on its Internet Web site, or cause copies of the report to be prepared and the clerk of the legislative body shall furnish a copy to any person requesting it. A charge not to exceed twenty-five cents (\$0.25) for each copy may be imposed.

(Amended by Stats. 2015, Ch. 37, Sec. 3. (AB 341) Effective January 1, 2016.)

53894. An officer of a local agency wilfully and knowingly rendering a false report is guilty of a misdemeanor.

(Added by Stats. 1949, Ch. 1521.)

53895. (a) An officer of a local agency who fails or refuses to make and file his or her report within 20 days after receipt of a written notice of the failure from the Controller shall forfeit to the state:

(1) One thousand dollars (\$1,000), in the case of a local agency with total revenue, in the prior year, of less than one hundred thousand dollars (\$100,000), as reported in the Controller's annual financial reports.

(2) Two thousand five hundred dollars (\$2,500) in the case of a local agency with total revenue, in the prior year, of at least one hundred thousand dollars (\$100,000) but less than two hundred fifty thousand dollars (\$250,000), as reported in the Controller's annual financial reports.

(3) Five thousand dollars (\$5,000) in the case of a local agency with total revenue, in the prior year, of at least two hundred fifty thousand dollars (\$250,000), as reported in the Controller's annual financial reports.

(b) (1) Upon the request of the Controller, the Attorney General shall prosecute an action for the forfeiture in the name of the people of the State of California.

(2) Upon a satisfactory showing of good cause, the Controller may waive the penalties for late filing provided in this section.

(Amended by Stats. 2003, Ch. 86, Sec. 3. Effective January 1, 2004.)

53895.5. (a) An officer of a community redevelopment agency who fails or refuses to make and file his or her report within 20 days after receipt of a written notice of the failure from the Controller shall forfeit to the state:

(1) One thousand dollars (\$1,000) in the case of a community redevelopment agency with total revenue, in the prior year, of less than one hundred thousand dollars (\$100,000), as reported in the Controller's annual financial reports.

(2) Two thousand five hundred dollars (\$2,500) in the case of a community redevelopment agency with total revenue, in the prior year, of at least one hundred thousand dollars (\$100,000), but less than two hundred fifty thousand dollars (\$250,000), as reported in the Controller's annual financial reports.

(3) Five thousand dollars (\$5,000) in the case of a community redevelopment agency with total revenue, in the prior year, of at least two hundred fifty thousand dollars (\$250,000), as reported in the Controller's annual financial reports.

(b) An officer of a community redevelopment agency who fails or refuses to make and file his or her report within 20 days after receipt of a written notice of the failure from the Controller in the second or more consecutive year shall forfeit to the state:

(1) Two thousand dollars (\$2,000) in the case of a community redevelopment agency with total revenue, in the prior year, of less than one hundred thousand dollars (\$100,000), as reported in the Controller's annual financial reports.

(2) Five thousand dollars (\$5,000) in the case of a community redevelopment agency with total revenue, in the prior year, of at least one hundred thousand dollars (\$100,000), but less than two hundred fifty thousand dollars (\$250,000), as reported in the Controller's annual financial reports.

(3) Ten thousand dollars (\$10,000) in the case of a community redevelopment agency with total revenue, in the prior year, of at least two hundred fifty thousand dollars (\$250,000), as reported in the Controller's annual financial reports.

(c) In the case of a community redevelopment agency that fails or refuses to make and file its report within 20 days after receipt of a written notice of the failure from the Controller in the third or more consecutive year, the Controller shall conduct or cause to be conducted an independent financial audit report consistent with the requirements of Section 33080.1 of the Health and Safety Code. The community redevelopment agency shall reimburse the Controller for the cost of complying with this subdivision. The community redevelopment agency shall not use any of the funds in the Low and Moderate Income Housing Fund to reimburse the Controller.

(d) (1) Upon the request of the Controller, the Attorney General shall prosecute an action for the forfeiture in the name of the people of the State of California.

(2) Upon a satisfactory showing of good cause, the Controller may waive the penalties for late filing provided in this section.

(e) A community redevelopment agency that makes a forfeiture or payment pursuant to this section shall still file the report required pursuant to Section 53891.

(Amended by Stats. 2004, Ch. 183, Sec. 174. Effective January 1, 2005.)

53895.7. (a) For the purpose of this section, "agency" means any agency or entity formed pursuant to the Joint Exercise of Powers Act (Article 1 (commencing with Section 6500) of Chapter 5 of Division 7 of Title 1) that issues conduit revenue bonds.

(b) An officer of an agency who fails or refuses to make and file his or her report pursuant to this article within 20 days after receipt of a written notice of the failure from the Controller shall forfeit to the state:

(1) One thousand dollars (\$1,000) in the case of an agency with total revenue, in the prior year, of less than one hundred thousand dollars (\$100,000), as reported in the Controller's annual financial reports.

(2) Two thousand five hundred dollars (\$2,500) in the case of an agency with total revenue, in the prior year, of at least one hundred thousand dollars (\$100,000), but less than two hundred fifty thousand dollars (\$250,000), as reported in the Controller's annual financial reports.

(3) Five thousand dollars (\$5,000) in the case of an agency with total revenue, in the prior year, of at least two hundred fifty thousand dollars (\$250,000), as reported in the Controller's annual financial reports.

(c) An officer of an agency who fails or refuses to make and file his or her report within 20 days after receipt of a written notice of the failure from the Controller in the second or more consecutive year shall forfeit to the state:

(1) Two thousand dollars (\$2,000) in the case of an agency with total revenue, in the prior year, of less than one hundred thousand dollars (\$100,000), as reported in the Controller's annual financial reports.

(2) Five thousand dollars (\$5,000) in the case of an agency with total revenue, in the prior year, of at least one hundred thousand dollars (\$100,000), but less than two hundred fifty thousand dollars (\$250,000), as reported in the Controller's annual financial reports.

(3) Ten thousand dollars (\$10,000) in the case of an agency with total revenue, in the prior year, of at least two hundred fifty thousand dollars (\$250,000), as reported in the Controller's annual financial reports.

(d) In the case of an agency that fails or refuses to make and file its report within 20 days after receipt of a written notice of the failure from the Controller in the third or more consecutive year, the Controller shall conduct, or cause to be conducted, an independent financial audit report consistent with the requirements of Section 6505. The agency shall reimburse the Controller for the cost of complying with this subdivision.

(e) (1) Upon the request of the Controller, the Attorney General shall prosecute an action for the forfeiture in the name of the people of the State of California.

(2) Upon a satisfactory showing of good cause, the Controller may waive the penalties for late filing provided in this section.

(f) An agency that makes a forfeiture or payment pursuant to this section shall still file the report required pursuant to Section 53891.

(Added by Stats. 2009, Ch. 557, Sec. 6. (SB 99) Effective January 1, 2010.)

53896. An officer of a local agency wilfully refusing to make such a report is guilty of a misdemeanor.

(Added by Stats. 1949, Ch. 1521.)

53897. Whenever, under the provisions of Section 12463.1, reports of financial transactions are required to be furnished to the Controller from districts which make comprehensive annual financial reports to the State Treasurer, the provisions of this article shall be satisfied if a copy of the report to the State Treasurer is furnished to the Controller within the time limits specified herein.

(Amended by Stats. 1971, Ch. 214.)