

## ***Local Government Reporting: Increased Penalties***

### **AB 276**

**Assembly Member Luis A. Alejo (D-Salinas)**

Under current law, the Controller's Office can assess penalties of up to \$5,000 for local government agencies that file a late annual financial transaction report or fail to file a report at all. In some cases, local agencies have been content to pay the fine rather than go file the required reports.

The Controller's Office estimates that, on average, about \$251,000 in penalties are levied each year.

This bill would:

**Increases penalties for local agencies who fail to file their annual financial transaction reports with the SCO in a timely manner.**

Specifically, the bill raises the penalty amounts for all local agencies to \$2,500 if the agency has total revenues of less than \$100,000 (in the prior year); \$5,000 for agencies with total revenues of more than \$100,000; and \$10,000 for agencies that have total revenues of more than \$250,000.

The bill doubles these fines if the agency fails to submit the report to the SCO for two consecutive years, and triples the fines if failing to report after three consecutive years.

**Requires the Controller's Office to conduct an audit of an agency that fails to report after three consecutive years.**