

PUBLIC INFORMATION SHEET

Pasadena City Charter, Article XVII Taxpayer Protection Act

The Taxpayer Protection Act (“TPA”) is found at Article XVII of the City Charter. The City Council has adopted Guidelines for implementation of the TPA, which are updated as necessary.

I What actions does the TPA regulate?

A. Generally, the TPA prohibits a “City public official” from exercising discretion to approve or voting to approve a “public benefit” and subsequently receiving a “personal or campaign advantage” from the person(s) who received the “public benefit” for specified time periods.

- The TPA is only triggered if the vote to confer the public benefit passes, or the public benefit is actually conferred.
- The TPA does not apply to the award of any public benefit arising out of an emergency as provided in Pasadena Municipal Code Section 4.08.150.
- The TPA does not apply to certain transactions which are not generally subject to influence by personal interests, such as government-to-government transactions and a narrow range of other transactions set forth in the Guidelines.
- The restrictions on receiving “personal or campaign advantages” do not apply to entities with a tax exempt status under Internal Revenue Code Section 501(c)(3), (4), or (6) even though such entities must otherwise comply with the TPA’s disclosure requirements.

B. The TPA also prohibits a Council member or candidate for City Council from accepting “personal or campaign advantages” from entities who are in negotiations with the City regarding a contract, lease, or land sale that will be approved by the Council.

II Who may be a “City public official”?

The Guidelines define City public official as the person(s) who make the final discretionary approvals which trigger the TPA, and is generally limited to the following:

- City Council members;
- Planning Commission, Board of Zoning Appeals, Design Commission, Historic Preservation Commission, Arts Commission, and Code Enforcement Commission;
- City Manager or official designees thereof;
- Department heads and Operating Company directors or official designees thereof;
- Board Members of each of the Operating Companies;
- Fire and Police Retirement Board members.

Excluded from the definition of “City public official” are: (i) any Board member or employee of the Pasadena Unified School District; (ii) any person(s) making recommendations, or acting within a series of required approvals, preceding the last required approval; (iii) any hearing officers who are not City employees; and (iv) any person(s) approving as to form, content, process, or execution only.

III What are the “public benefits” that trigger the TPA?

The granting of any of the following public benefits, or the aggregate of any of the following to the specified amount within one fiscal year, may trigger the TPA:

- personal services contracts in excess of \$25,000;
- the sale of material, equipment or supplies to the City in excess of \$25,000;
- the purchase, sale or lease of real property to or from the City in excess of \$25,000;
- non-competitive franchise awards with gross revenue of \$50,000 or more;
- specific land use approvals (defined in the Guidelines), with a value in excess of \$25,000;
- tax "abatement, exception, or benefit" of a value in excess of \$5,000; or
- the payment of "cash or specie" of a net value to the recipient of \$25,000.

IV Who is the recipient of the “public benefit”?

The recipient of the public benefit, and those subject to the pre-contractual blackout provisions, include the applicant and anyone who is an officer in or has more than a 10% interest in the applicant entity. The TPA requires the City to ask that the applicant disclose to the City its trustees, directors, partners, officers, and those with a 10% equity, participation or revenue interest in the applicant. This means that applicants for land use approvals may not apply through a representative, but must apply in their own name. *These disclosures are public records and must be provided to the public if requested.*

V What “personal or campaign advantages” is a “City public official” prohibited from receiving?

After a City public official grants a public benefit, or during the pre-contractual blackout period as applied to Council members/candidates, the public official or Council member/candidate may not receive the following from the applicant:

- Any gift, honoraria, emolument or personal or pecuniary benefit in excess of \$50; but excluding gift exceptions contained in the State Fair Political Practices Commission regulations (2 CCR 18940 et seq.); and excluding gifts from public agencies or gifts distributed by the City;
- Any employment for compensation; or
- Any campaign contribution for any Pasadena elective office or ballot measure committee controlled by the official.

VI How does a “City public official” track compliance with the TPA?

The City maintains three lists: (1) one of persons or entities receiving public benefits from the City; (2) another of those on the pre-contractual blackout period list; and (3) although not required as part of the TPA, a list of 501(c)(3), (4) and (6) entities who receive public benefits. City public officials and Council members/candidates have a separate, independent duty to ensure that they do not receive any personal or campaign advantages from persons on the first two lists in violation of the TPA.

VII What are the penalties for violation of the TPA?

A civil action may be brought against any City public official who accepts a personal or campaign advantage in violation of the TPA, and a civil monetary penalty may be imposed. Knowing or willful violations may result in a misdemeanor charge.