



Understanding Public Service Ethics Laws & Principles: AB 1234 Training

*League of California Cities
2026 Annual Conference*

WEDNESDAY, SEPTEMBER 23, 2026

HOUSEKEEPING & REMINDERS

You MUST scan IN AND OUT to receive credit

You must be present for the full two-hour training

Certificates will be emailed to attendees to scan in and out

To receive MCLE credit, your bar number must be attached to your Cal Cities profile. You can add that anytime!

Contact Kristy Bivens (kbivens@ca-ilg.org) with questions or concerns

HOUSEKEEPING & REMINDERS

The League of California Cities is committed to providing a safe and respectful environment for all participants and staff at Cal Cities events.

We expect participants and staff to:

- Be considerate and respectful in your speech and actions.
- Refrain from behavior and speech that is threatening, abusive, discriminatory, or harassing.
- Be mindful of your surroundings and your fellow participants.

If you experience or witness threats, unlawful discrimination or harassment during a Cal Cities event, or have any other concerns, please contact a member of Cal Cities staff immediately.

NON-PROFIT, NON-PARTISAN & COMMITTED TO SUPPORTING & IMPROVING LOCAL GOVERNMENT

- The Institute for Local Government is the non-profit training and education affiliate of the League of California Cities
- We were founded in 1955, 70 years ago, and our mission is to serve and support local government
- Our target population is the 2,500 cities, counties and special districts in California
- We provide practical and easy-to-use resources so local agencies can effectively implement policies on the ground



PROGRAMS & SERVICES

Program Areas

Leadership &
Governance

Workforce
Development &
Civics Education

Public
Engagement

Sustainability



Services

Education &
Training

Technical
Assistance

Capacity
Building

Convening

Our mission is to help local government leaders
navigate complexity, increase capacity
& build trust in their communities



HansonBridgett

California's law firm —
statewide roots, wide-ranging impact

Managing the Public's Business Under California's Ethics Laws (AB 1234 Training)

Presented to
Cal Cities
September 23, 2026



Trevor Taniguchi

Phone: 916-551-2817

TTaniguchi@hansonbridgett.com

AB 1234 Training

- Who gets AB 1234 training? New for 2026?
- Applicability to legislative bodies vs. staff
- Topics
 1. Ethics and Scandals
 2. Personal Financial Gain (aka Conflicts of Interest)
 3. Perks of Office
 4. Fair Processes & Procedures
 5. Government Transparency

Part I: Ethics and Scandals

Ethics: What, and So What?

- What are ethics?
- Ethics vs. Laws: Minimum standards vs. Moral standards
- Public officials held to higher standards
- What sets off *your* ethics alarm?



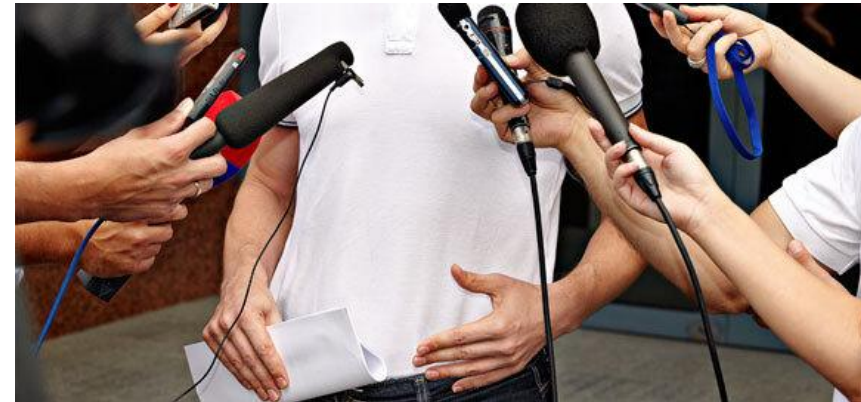
Institute for Global Ethics' Universal Ethical Values

- Fairness
- Loyalty
- Compassion
- Trustworthiness
- Responsibility
- Respect



Scandalous!

- What are you hiding?
 - Alleged transparency violations
- The 24-hour news cycle, web-based longevity: old stories never die



Ethics Laws

- Minimum standard
- Not always common sense
 - Consider political process
- Appearances matter
- Sources of laws and regulations
 - Role of FPPC



Part II: Personal Financial Gain (aka Conflicts of Interest)

Roadmap: Personal Financial Gain

- Laws to mitigate inevitable conflicts of interest
- Public officials should not benefit financially from their positions
- Laws govern conflicts of interest
 - Public contracts
 - Government decision-making
 - Campaign contributions
 - Bribery



No Self-Dealing in Contracts (Section 1090)

You “shall not be *financially interested* in any *contract made*” in your official capacity, or by any body or board of which you are a member.

Government Code §1090 *et seq.*



No Self-Dealing in Contracts

- Is there a financial interest?
- Is the financial interest a remote interest or statutory non-interest?
 - Examples: landlord/tenant, non-profit entity
 - “Public services generally provided” “on same terms” non-interest exception

AB 334 (2023)

Section 1090, Contractors/Consultants & Multi-Phase Projects

- **NEW RULE:** If a public entity enters into a contract with a contractor to perform one phase of a project and seeks to enter into a subsequent contract with that contractor for a later phase of the same project, the contractor is not an "officer" subject to Section 1090 if the contractor's duties and services related to the initial contract did not include engaging in or advising on public contracting on behalf of the public entity.
- Include safe harbor provision stating that contractor will not engage in or advise on public contracting on the agency's behalf in initial contracts.

HYPOTHETICAL QUESTION

- Staff Member: “As you all know, the City has outgrown its current space for records storage and wants to lease a new storage facility for all its paper records located at 100 Woodland Ave in Cityville, CA. Staff proposes the City rent the storage facility located at that address.”
- Director: “Wait a minute, I think Councilmember Brown owns that facility. Can the Council authorize the City Manager to execute the lease?”

What if there is a Section 1090 conflict?

- If Councilmember, two choices: No contract or resign
- Staff can recuse instead of resign
- Penalties & consequences of violation
 - Contract = void **and** refund money
 - Felony: imprisonment and fines (\$5,000-\$10,000)
 - Attorneys' fees
 - Can never hold another public office

Avoiding Conflicts in Government Decisions

FPPC: “You have a conflict of interest with regard to a particular government decision if it is sufficiently likely that the outcome of the decision will have an important impact on your economic interests, **and** a significant portion of your jurisdiction does not also feel the important impact on their economic interests.”

Political Reform Act
(Government Code § 87100 *et seq.*)



Applying the Law

- 4-step analysis (rather than old-fashioned 8) with two pre-cursors
 - Public Official
 - Financial Interests
 - Business Entity: Explicitly involved; \$1,000,000
 - Sources of income: \$1,000 in past 12 months
 - Real estate: 8 factors; 1,000 ft. presumption
 - Sources of gifts: \$630 for calendar years 2025 & 2026
 - Personal financial effect: \$500 up or down in 12 months

4-Step Analysis:

1. Is the financial effect on the official's financial interest "reasonably foreseeable"?
 - *Explicitly involved*
 - *"Realistic possibility and more than hypothetical or theoretical"*
2. Is the financial effect material?
 - Apply the new regulations
 - Named party or property?: Probably yes
 - Not named?: Will the value or use change?
3. Is the effect on the official the same as on the "public generally"?
4. Is the official "making, participating in the making, or using his or her position to influence" the governmental decision from which the financial effects result?

HYPOTHETICAL QUESTION

- Email from Councilmember:
- The City is planning a joint procurement with the cities in our jurisdiction for food trucks at a big Earth Day festival this year to promote public awareness of critical environmental issues. This is going to be great - my primary residence is right across the street from where the festival will be held! Can I participate in the decisions related to this contract with the food truck vendors?

What if there is a PRA conflict?

- Staff:
 - Report it
 - Don't participate
- Directors:
 - Report in open session
 - Leave the room
 - Don't participate
 - Don't discuss
 - Don't vote
- Penalties, consequences
 - FPPC enforcement
 - Fines
 - Attorneys' Fees
 - Misdemeanor, may lose office
 - May invalidate decision

Contact City Attorney

1-866-ASK-FPPC
advice@fppc.ca.gov

Campaign contributions as conflicts, aka “Pay-to-Play” rules, Levine Act

- Levine Act significantly revised in 2022 and 2024
- Applies to **elected or appointed officers, candidates for elective office**
- Applies to proceedings involving a license, permit, or other entitlement for use.
 - Includes: business, professional, trade, land use licenses/permits; entitlements for use; nonexempt contracts; franchises
 - Excludes: competitively bid contracts; contracts for labor/personnel employment
- Officers are prohibited from:
 - Accepting, soliciting, or directing more than \$500 from any party, participant, or agent of a party/participant to a proceeding while the proceeding is pending and for 12 months after the final decision
 - Making, participating in making, or influencing the decision if the officer received more than \$500 from any party, participant, or agent of a party/participant to a proceeding within the preceding 12 months, and also must disclose in record of proceeding
- May **cure violations by returning** the contribution within specified time period

Future Employment

- No participation in decisions involving future employers
 - How far into the process are you? (New standard as of 2026!)
- Revolving door prohibition
 - Covers elected officials and executive directors
 - Cannot represent clients/employers before agency for one year

Bribery

- **Anything of value** in exchange for a vote, opinion or action
- *Quid pro quo*
- Even if bribe not actually received
- Penalties & consequences
 - Imprisonment of 1-4 years
 - Fines up to \$10,000 or double amount of bribe
 - Attorneys' fees
 - Forfeit office, disqualified from future office, employment or appointment in California



Honest Services Laws

- Federal Laws
- Mail and wire fraud
- Now limited to bribery and kickbacks in interstate communication
- Penalties: up to 20 years in jail and \$250,000 fine

Take-Aways

- Always be on the lookout for a conflict
- Ask for help!
- The problem – and the solution – may or may not be obvious
- Be prepared for questions



Part III: Perks of Office

Roadmap: Perks of Office

- Public officials should not benefit personally from their positions
- Laws govern
 - Gifts
 - Honoraria
 - Free/discounted transportation
 - Use of public resources



Stricter of state law and City policy governs

→ Review your City's specific charters, codes and policies

Gift Limits

- "Public Official": Conflict of Interest Code
- "Gift": Anything that confers a "personal benefit" for which you do not provide something of equal value
- Limit: \$630 per source per calendar year for 2025-2026
- COI Disqualifying Interest: Over \$630 in 12 months from single source.
- Report: Any gift worth \$50 or more
 - *Designated positions: only report if connected to job duties*
- Separate rules for gifts to and from the agency, tickets
- May differ from agency policies, especially for vendors

Is it a gift, does an exception apply, and what is it worth?

1. Is there a personal benefit?
2. What is it? Look it up, but...

It's a gift if it's:

- Food/drink
- Services
- Travel/lodging
- Money/loan
- Items/things

But it may be exempt if:

- Reciprocal exchange
- "Host" is present
- Prize/earnings
- Personalized plaque/award (if under \$250)
- Received at big event
- Informational materials
- Inheritance
- Act of neighborliness or compassion
- Campaign contribution

Is it a gift, does an exception apply, and what is it worth?

3. Who is it from?

- Does an exception apply?
 - *Family members*
 - *"Long-term, close personal friend" ("BFF exception")*
 - *Non-agency business relationship (day job, old job)*
 - *"Dating" relationship*
- Are they in your disclosure category?
- Are they a vendor? Does a special rule apply?

4. Is the source a lobbyist or do they have a matter pending before your agency (12 months forward, 12 months back)?

Is it a gift, does an exception apply, and what is it worth?

5. Who is the gift to?
 - You, your spouse, your child
6. If the gift was received at an event, exemptions and valuation depend on nature of event
 - Public event where make a speech
 - Wedding, other private event
 - In someone's home

Conferences

- Free or reduced registration for informational conferences is OK
- Meals, lodging and transportation costs
 - Subject to gift limits unless paid by 501(c)(3) or public agency
 - Can be disqualifying
- What if you are performing a service? (Is the “gift” actually “income”?)
- ***Provide a brief report at next meeting for reimbursed travel!***

Gift Tips

- *Look to your City's policies first*
- *Keep a gift log*
- *Consider tracking on your phone*
- *Use the FPPC Fact Sheet*



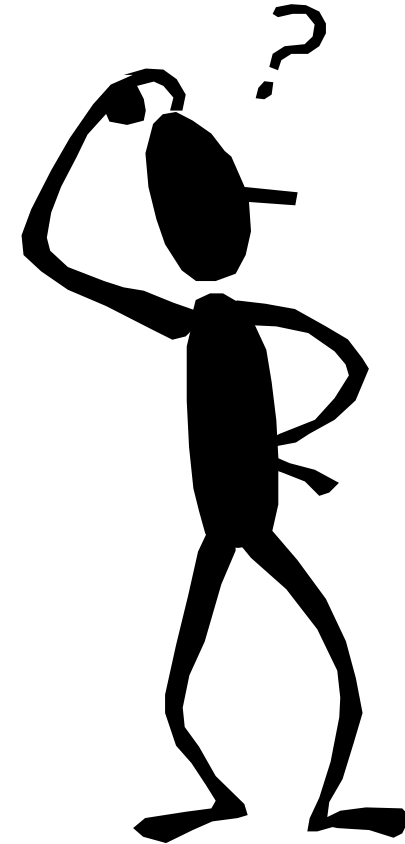
Honoraria

- Councilmembers, candidates for office, and other Form 700 filers
- No compensation for writing, attending or speaking (from *anyone* for Commissioners, those who invest public funds)
- Expense reimbursement OK if in CA
- Exceptions
 - Bona fide business or profession
 - Artistic performance
 - Money paid to Port
 - Direct charitable donations



What to do with these Perks?

- 30 days to decline/donate/pay down/return
- Report it
- Disclosure/disqualification
 - Disqualification from participating in gov't decisions if over \$630 in past 12 months
 - Announce the interest, leave the room
- Penalties & consequences
 - Fine: \$5,000 per violation
 - Own attorneys' fees \$3,000-\$30,000
 - Others' attorneys' fees



Ban on Free or Discounted Transportation

- *OK if employment benefit or in furtherance of official duties*
- Applies to officers but not employees
- Applies to public or private transportation companies only
- Progressive era law
- Penalty is forfeiture of office



Use of Public Resources

- Personal (or political) use or gifts of public resources
 - Funds
 - Surplus property
 - Staff time



Mass Mailing Prohibition

- No “tangible” newsletters or mass mailing at public expense
 - Costs of design, production & printing \$50+
 - Features name, picture, office, other such reference to elected official
 - 200+ substantially similar items in 1 month
- Exceptions
 - Legally required notices, announcements
 - Intra-agency communications
 - Internet/text communications



Campaign and Political Activities

- No public funds for partisan campaigning
- No use of phones, supplies, fax machines, computers
- Informational materials: factual, balanced, do not advocate
- No solicitation of officers or employees
- Penalties: civil, criminal
- ***Can't*** use government resources to advocate or campaign for ballot measures
- ***Can*** use government resources to provide informational/educational materials that are neutral and balanced in timing, tenor, tone

***OK on own time
and dime!***



FPPC's AdWatch

- Individuals can submit:
 - Complaints about campaign advertising
 - Any form of political campaign advertising
 - Communications made by public entities
- FPPC's Enforcement division will “review all submitted advertisements and communications for compliance and will actively pursue any potential violations.”
- <https://www.fppc.ca.gov/enforcement/adwatch.html>

Compensation and Reimbursement Policies

- Compensation of Commissioners
- Executive and staff compensation
- Reimbursement: actual and necessary expenses
 - Follow adopted policies
 - Use agency expense form and submit receipts
 - Public records
- Penalties: criminal, civil, permanent disqualification



Part IV: Fair Processes & Procedures

Roadmap: Fair Processes & Procedures

- Government processes should be fair and consistently applied to avoid bias and favoritism
- Laws cover:
 - Constitutional due process
 - Statutes, rules and policies for fair processes
 - Competitive bidding
 - Fares/rates/charges
 - Incompatible offices and activities



Constitutional Due Process & Fair Processes

- Cannot deprive public of
 - Life
 - Liberty
 - Property
- Without due process
 - Notice
 - Opportunity to be heard
 - Fair and impartial hearing
- Establish standards and follow procedures



Competitive Bidding



- Public money for the public good
 - No discrimination or favoritism
- Federal, State and local laws and policies
 - Look at your Codes and Charters
- Essential elements
 - No conflicts of interest
 - Confidentiality
 - No ex parte communications

HYPOTHETICAL QUESTION

Procurement Manager: “My brother’s paper company just won the City’s five-year paper supply contract for the procurement I am in charge of. I don’t own any shares of the company, and frankly, don’t really get along with him. We have not spoken in years. Do I need to do anything? Is this okay?”

HYPOTHETICAL QUESTION, PT. 2

Procurement Manager: “I forgot to mention that even though I don’t get along with my brother, my spouse works for his paper company, and owns some shares in his company. My spouse knows I don’t like my brother so we never discuss his paper business or anything else related to him. Is this an issue?”

Incompatible Offices & Activities



- Having more than multiple “loyalties” – even if all are “the public” – creates conflicting duties
- Incompatible public offices
 - Penalty: forfeiture of first public office
- Incompatible activities (private and public): typically defined by agency policy
- Notify HR of any outside employment.

Part V: Government Transparency

Roadmap: Government Transparency

- Government works for the public and should be open to the public
- Laws cover:
 - Open meetings
 - Public records
 - Agency, Individual Reports (FPPC Compliance)



Open Meetings: Brown Act

- Meetings of local legislative bodies
 - Notice specifying time and place of meeting
 - Published agenda
 - Opportunity for public comment
- Special Meetings – 24 hours
- Regular Meetings – 72 hours
- Penalties: Invalidate action and/or misdemeanor
- Also review your City's Charter and Codes
 - Most transparent rule applies

Open Meetings: Brown Act

- Is your city a “Eligible Legislative Body”?
 - 30,000 or more
 - City in county with population in County with 600,000 or more
 - Opportunity for public comment
- Two-Way Remote Attendance Mandatory
- Open Session Policy regarding service/broadcast disruptions
- Disruption procedure
- Outreach
- Language translation and interpretation

Teleconference/Remote Participation

- Rules changed as of January 1, 2026 pursuant to SB 707
- Members of the legislative body may participate remotely:
 1. In accordance with the “traditional” teleconference rules;
 2. Remotely using 2-way audio-visual technology, as a disability accommodation or, for a limited number of times per year, in case of caregiving responsibilities, contagious illness, being/having a family member who is immunocompromised, medical emergency, official travel, military service
 3. In a federal/state/local state of emergency

“Traditional” Teleconference Rules

- A quorum of the members of the legislative body must be within the boundaries of the local agency.
- The agenda must identify the teleconference location.
- The agenda must be posted at the teleconference location.
- The teleconference location must be accessible to the public.
- The public must be allowed to participate in the meeting from the teleconference location.

Remote Attendance Rules

- Quorum in-person from a single physical, agendized location is required.
 - If remote due to disability, counts as present in the single physical location for quorum purposes
- Two-way audiovisual platform or a two-way telephone service coupled with a live webcast of the meeting is required
- Must allow for remote and in-person real-time public comment opportunities are required
- Board members must announce if individual(s) over 18 are in the remote location and their relationship(s) to such individual(s)
- Each member can join remotely for limited number of times per year, depending on frequency of regular meetings (e.g., five times per year for twice per month regular meetings)

Closed Session Exceptions

- Real property – “price and terms of payment” only
- Pending litigation
- Personnel
 - *Post-Bell reform: can only approve compensation at regular meeting and in open session*
 - *Before taking final action on compensation of executives/ department heads, legislative body must orally report a summary of a recommendation for a final action during the open meeting (Gov’t Code section 54953)*
- Threat to public security
- Labor negotiations
- ***Duty of confidentiality!***



Brown Act Pitfalls

- Quorums outside of noticed meetings
 - Conference exception
 - Improper use of “ad hoc” committees
- “Serial” conversations
 - Daisy chain
 - Hub and spoke
 - Talking outside of meetings
 - *E-mail*
 - *Social media rules*



Internet-based Social Media (AB 992)

- Separate conversations or communications on an internet-based social media platform:
 - Answer questions
 - Provide information to the public
 - Solicit information from the public regarding a matter that is within the subject matter jurisdiction of the legislative body
- Majority cannot discuss among themselves business of a specific nature that is within the subject matter jurisdiction of the legislative body
- Members cannot respond directly to each other regarding matters within the subject matter jurisdiction of the legislative body
- Be careful when retweeting or sharing/liking another's post.

Public Records

- Right to inspect and copy public records
- Includes all non-exempt writings or other recording concerning the public's business owned or retained by a state or local agency
 - E-mail is covered; metadata may be
 - Personal devices & accounts
 - Some exemptions
 - Drafts, personnel files, pending litigation, trade secrets, deliberative process, otherwise privileged, “catch-all” exemption
- Statutory numbering was revised effective January 1, 2023.

Key Lessons

- Pay attention to your ethical compass
- Consider political climate – appearances matter!
- Laws change, but values don't
- Board and managerial leadership matters
- Remember the strictest rule governs (check grants, agreements, & other restrictions)
- Seek help if you need it
- If you see a violation – report it

THANK YOU!



Trevor Taniguchi

Phone: 916-551-2817

TTaniguchi@hansonbridgett.com