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MEMORANDUM OF LAW

DATE: October 12, 2016
TO: Rules Committee
FROM: City Attorney
SUBJECT: Legal Interpretation of Charter Section 225

INTRODUCTION

By memorandum dated July 28, 2016, Council President Sherri Lightner requests our legal interpretation of Charter section 225. Section 225 mandates the disclosure of certain information from those transacting business with the City. There have been some questions raised as to whether and how the City is implementing section 225. A discussion of section 225 is scheduled for Rules Committee on October 26, 2016.

QUESTIONS PRESENTED

1. How should the City interpret section 225?
2. Do we have any suggested revisions to the draft Council Policy implementing section 225 that was included in prior opinions from this Office?

SHORT ANSWERS

1. Section 225 requires everyone seeking to contract with the City, or to obtain interests in the City's real or personal property, to disclose the name, identity, and the precise nature of the interests, of all persons directly or indirectly involved in the transaction. The same disclosure applies to any transfer of such contracts or interests to another person. The City may decline to enter into a proposed transaction or void an existing contract for failure to provide the required disclosures.
2. There are two provisions in the draft Council Policy from 1992 that cannot be adopted without voter approval: (1) only applying section 225 to contracts that need City Council approval, and (2) limiting disclosures to ownership interests over 5% and a value of \$10,000 or more. We recommend an ordinance instead of a Council Policy.

BACKGROUND

At the municipal election of June 2, 1992, the voters approved Proposition E adding section 225 to the City Charter. San Diego Resolution No. R-280313 (July 13, 1992). Section 225 was not a citizen initiative; it was proposed by the Mayor and City Council. San Diego Ordinance No. O-17744 (Feb. 24, 1992). Section 225 provides:

Section 225: Mandatory Disclosure of Business Interests

No right, title or interest in the City's real or personal property, nor any right, title or interest arising out of a contract, or lease, may be granted or bargained pursuant to the City's general municipal powers or otherwise, nor any franchise, right or privilege may be granted pursuant to Section 103 or 103.1 of this Charter, unless the person applying or bargaining therefor makes a full and complete disclosure of the name and identity of any and all persons directly or indirectly involved in the application or proposed transaction and the precise nature of all interests of all persons therein.

Any transfer of rights, privileges or obligations arising from a franchise, right or privilege granted under Charter Section 103 or 103.1, or any transfer of any right, title or interest in the City's real or personal property, or any right, title or interest arising out of a contract, or lease, which may be granted or bargained pursuant to the City's general municipal powers or otherwise, shall also require a full and complete disclosure as set forth above.

Failure to fully disclose all of the information enumerated above shall be grounds for denial of any application or proposed transaction or transfer and may result in forfeiture of any and all rights and privileges that have been granted heretofore.

For purposes of this Charter section, the term "person" means any natural person, joint venture, joint stock company, partnership, association, firm, club, company, corporation, business trust, organization or entity.

Former Mayor O'Connor and former City Councilmember Stallings submitted the argument in favor of Proposition E:

Would you enter into a business agreement with someone you didn't know? Or even worse, perhaps not know his or her name?

Of course not.

But far too often the San Diego City Council is forced into just that kind of predicament. Loopholes in the system allow anonymous "limited partners" to potentially receive millions in taxpayer dollars, without the Council having the

benefit of knowing who the partners are, or exactly what they will do with the money.

San Diegans have a right to know how, and with whom, their tax dollars are being spent.

This charter amendment gives the Mayor and City Council the right to know the identities and backgrounds of persons wanting to do business with the City.

Please give the Council the tools it needs to protect taxpayers' money.

Vote Yes on E!

Ballot Pamp. Primary Elec. (June 2, 1992), argument for Prop. E. No argument was submitted in opposition to Proposition E.

Soon after Proposition E passed, this Office issued a Memorandum of Law expressing concern about the breadth of the language in section 225:

The above language taken literally would require the disclosure of the "name and identity" of all the stockholders of General Motors together with "the precise nature of all interests" of such stockholders in any proposed contracts General Motors may desire to enter into with the City. Obviously, it is neither practical nor desirable to interpret the Charter section to require such information.

1992 City Att'y MOL 430 (92-60; July 16, 1992). This Office proposed a Council Policy instructing the City Manager on what information needed to be provided to the Mayor and City Council. *Id.* The proposed Council Policy would have required the disclosure of the identity of all persons having an ownership interest of 5% or more in any entity contracting with the City, if that 5% interest was worth \$10,000 or more. The proposed Council Policy would have required the same information of all persons who could reasonably anticipate receiving \$10,000 or more from the contract with the City, whether or not the person had any ownership interest in the contracting entity. The proposed Council Policy only required such disclosures for contracts needing City Council approval. The Memorandum of Law concluded section 225 did not apply to contracts that were not submitted to City Council for approval.

The proposed Council Policy was never adopted. In 2005, this Office issued a report to the City Council's Committee on Government Efficiency and Openness explaining that implementation of section 225 was inconsistent, and recommending adoption of a Council Policy. 2005 City Att'y Report 454 (2005-15; June 20, 2005). In 2014, this Office identified section 225 as one of many provisions in the Charter needing clarification or amendment. City Att'y Report 2014-3 (Feb. 5, 2014).

ANALYSIS

I. Legal Interpretation of Charter Section 225.

Charter provisions are interpreted according to the normal rules of statutory construction. *First Street Plaza Partners v. City of Los Angeles*, 65 Cal. App. 4th 650, 662-663 (1998). “In construing a charter, the objective is to determine legislative intent, and the prime determinant is the plain meaning of the language of the charter.” *Id.* at 663. If the language is ambiguous, we may look to the history and background of the measure to ascertain legislative intent. *People v. Birkett*, 21 Cal. 4th 226, 232 (1999). If evidence of legislative intent is scarce, we are faced with a “show-down” question where we must ascertain the purpose of the legislation using common-sense and interpret the legislation consistent with that purpose. See Jan I. Goldsmith, *Law and Political Process Course Supplement*, ISBN 978-0-8400-3611-7, pp. 172-174 (2007); Mikva Lane, *Legislative Process*, pp. 132-134 (2d. ed. 2002).

“Interpretations that lead to absurd results or render words surplusage are to be avoided.” *Tuolumne Jobs & Small Business Alliance v. Superior Court*, 59 Cal. 4th 1029, 1037 (2014) (The State Legislature did not intend for CEQA to apply to direct adoption of a citizen initiative because it is virtually impossible to complete CEQA review in the short time required for a city council to act on an initiative).

It is a settled principle of statutory interpretation that language of a statute should not be given a literal meaning if doing so would result in absurd consequences which the Legislature did not intend. To the extent this examination of the statutory language leaves uncertainty, it is appropriate to consider the consequences that will flow from a particular interpretation. Where more than one statutory construction is arguably possible, our policy has long been to favor the construction that leads to the more reasonable result. This policy derives largely from the presumption that the Legislature intends reasonable results consistent with its apparent purpose. Thus, our task is to select the construction that comports most closely with the Legislature's apparent intent, with a view to promoting rather than defeating the statutes' general purpose, and to avoid a construction that would lead to unreasonable, impractical, or arbitrary results.

Commission on Peace Officer Standards and Training v. Superior Court, 42 Cal. 4th 278, 290 (2007) [internal citations and quotations omitted] (rejecting a statutory interpretation that would make documents confidential as police officer personnel records based on the physical location of the records, rather than the content of the records). The law never requires the impossible, nor the impracticable because of extreme and unreasonable difficulty. *Board of Supervisors v. McMahon*, 219 Cal. App. 3d 286, 299-300 (1990); Cal. Civ. Code § 3531. When faced with a problem of statutory construction, courts accord great deference to the interpretation given the statute by the officers or agency charged with its administration and limit review to determining whether the agency's interpretation is reasonable. *Trinity County Public Utilities District v. Harrington*, 781 F.2d 163, 165 (9th Cir. 1986).

Applying these rules of statutory interpretation, we break down the language of section 225 into its component parts for analysis:

- A. **“No right, title or interest in the City’s real or personal property, nor any right, title or interest arising out of a contract, or lease, may be granted or bargained pursuant to the City’s general municipal powers or otherwise,”**

This language describes the types of transactions that fall within the purview of Section 225. Section 225 applies to contracts with the City, and leases which are also a form of legal contract. Section 225 also applies to any right, title, or interest in the City’s real or personal property, whether or not it is accomplished by contract. That is, the City cannot avoid compliance with section 225 simply by not characterizing or memorializing a transaction as a contract. By encompassing all contracts, most transactions with the City are subject to section 225.

- B. **“nor any franchise, right or privilege may be granted pursuant to Section 103 or 103.1 of this Charter unless”**

Charter sections 103 and 103.1 address City Council approval of franchises for the use of public property, or to operate any public utility in the City. These transactions are also subject to section 225.

- C. **“the person applying or bargaining therefor”**

“Person” is specifically defined in the last paragraph of section 225. Person means “any natural person, joint venture, joint stock company, partnership, association, firm, club, company, corporation, business trust, organization or entity.” This definition encompasses anyone the City could conceivably contract with, consistent with the argument in favor of Proposition E. Section 225 applies to everyone contracting with the City.

“Applying or bargaining therefor” indicates that the required disclosure must be made before the City enters into the contract. Applying and bargaining occur before an agreement is reached or a contract is formed. This is consistent with the argument in favor of Proposition E, where the concern is the City having to decide whether to enter into contracts without knowing the identity of the other parties.

- D. **“makes a full and complete disclosure of the name and identity of any and all persons”**

The phrase “full and complete disclosure” is not defined in section 225. “Full disclosure” generally means to reveal all the details. *See Black’s Law Dictionary* 672 (6th ed. 1990). “Complete” generally means to finish in its entirety, without omissions or deficiencies. *Id.* at 285. Taken together, full and complete disclosure generally means to provide all the details without omission or deficiency. This obligation of disclosure is placed on the person applying or bargaining for the contract, not on the City. Section 225 does not indicate whether the disclosure must be in writing.

“The name and identity” is not as redundant as it might seem. A name alone, like John Smith, may be insufficient to identify a particular person. Requiring the disclosure of the identity

of a person means other information must be provided with the name to distinguish between persons with the same name. Section 225 does not specify what identifying information must be provided.

E. “directly or indirectly involved in the application or proposed transaction”

The phrase “directly or indirectly involved” is not defined in section 225. Using the plain meaning of these words, we interpret persons “directly involved” to be those persons communicating or negotiating directly with the City, and persons submitting applications, bids, proposals, or other documents for purposes of contracting with the City. Persons “indirectly involved” include persons who may have prepared such documents but did not personally submit them to the City, and persons who are directing or supervising the actions of persons who are directly involved. For a person to be involved in the transaction, the person must be participating in the pursuit of the contract, either in direct contact with the City or indirectly working behind the scenes. Section 225 does not require a corporation seeking a City contract to disclose the names and identities of all its officers or employees.

F. “and the precise nature of all interests of all persons therein.”

This is the most problematic language in section 225 because it can be interpreted two different ways. One interpretation is that those contracting with the City must disclose the name and identity of every person with any interest in the transaction. A second, narrower interpretation is that only the interests of all persons involved in the transaction need to be disclosed. Both interpretations must be analyzed.

The first interpretation is the one this Office grappled with in the 1992 Memorandum of Law. We indicated that literal application of this language would require the disclosure of the name and identity of every shareholders of General Motors stock. Requiring that level of disclosure would be absurd, and in many instances compliance would be impractical if not impossible. The rules of statutory interpretation require us to reject that interpretation. There is nothing in the argument in favor of Proposition E to suggest such minor interests were of concern to the Mayor or City Council.

The second interpretation is more reasonable. The phrase “all persons therein” can be interpreted as relating back to “all persons directly or indirectly involved” in the transaction. Under this interpretation, section 225 requires disclosure of the name, identity, and nature of the interests of all persons directly or indirectly involved in the transaction. This interpretation has support in the argument in favor of Proposition E, which expresses concern over “enter[ing] into a business agreement with someone you didn’t know . . . [o]r even worse, perhaps not know his or her name,” and people hiding behind “anonymous ‘limited partners’ to potentially receive millions in taxpayer dollars, without the Council having the benefit of knowing who the partners are, or exactly what they will do with the money.” Anyone receiving millions in taxpayer dollars or having other significant interests would most likely be directly or indirectly involved in the transaction and subject to disclosure. Under the rules of statutory interpretation, the second interpretation is the correct interpretation because it does not lead to an absurdity or require something that is impossible or impractical to accomplish, and is supported by the ballot argument.

- G. **“Any transfer of rights, privileges or obligations arising from a franchise, right or privilege granted under Charter Section 103 or 103.1, or any transfer of any right, title or interest in the City’s real or personal property, or any right, title or interest arising out of a contract, or lease, which may be granted or bargained pursuant to the City’s general municipal powers or otherwise, shall also require a full and complete disclosure as set forth above.”**

The second paragraph of section 225 mirrors much of the first paragraph, so we need not repeat our analysis here. The only difference is this paragraph indicates that any transfer of the rights or obligations in contracts with the City, or any transfer of an interest in City real or personal property, triggers the same obligation to disclose the name, identity, and nature of the interests of those involved to the City. This paragraph ensures that the City still knows who it is doing business with if the rights or obligations under a contract are transferred from one party to another.

- H. **“Failure to fully disclose all of the information enumerated above shall be grounds for denial of any application or proposed transaction or transfer and may result in forfeiture of any and all rights and privileges that have been granted heretofore.”**

The third paragraph of section 225 describes the consequences of failing to make the disclosures required by the first two paragraphs. “Shall be grounds for denial” means an agency may deny whatever is being sought, it does not mean the agency must deny it. *Phillips v. Barron*, 158 Cal. App. 2d 316, 319 (1958). Therefore, section 225 authorizes, but does not mandate that the City deny a proposed transaction or transfer if the required information is not disclosed to the City in advance. Similarly, if the City learns that full and complete disclosure was not made for a transaction or transfer that has already occurred, then it “may result in a forfeiture,” rendering the transaction or transfer voidable by the City.

Only the City can enforce section 225. *Padres L.P. v. Henderson*, 114 Cal. App. 4th 495, 520 (2003) (No private right of action under section 225 by which citizens can force the City to set aside a transaction). However, section 225 does not specify who in the City should exercise the discretion to deny a proposed transaction or void an existing contract for failure to provide the required disclosures.

II. **Proposed Ordinance.**

In 1992, this Office proposed the adoption of a Council Policy to instruct the City Manager how to implement section 225. However, as we indicated above section 225 places the burden of providing the information on those doing business with the City, not on the City to collect the information. Council Policies, which are passed by resolution, primarily relate to how the City conducts business and generally do not apply to members of the public. An ordinance is required to impose a legal duty on members of the public. *See City of Sausalito v. County of Marin*, 12 Cal. App. 3d 550, 565 (1970). Therefore, we recommend adoption of an ordinance instead of a Council Policy.

In drafting an implementing ordinance, we must be careful not to change the scope or effect of section 225. The San Diego Municipal Code (SDMC) prohibits the City Council from amending an initiative approved by the voters unless the initiative allows it or the amendment is also approved by the voters. SDMC § 27.1049. This restriction is the same as State law. *See* Cal. Const. art. 2, § 10 (c). Although legislative acts are entitled to a strong presumption of validity, the legislature cannot amend an initiative unless the initiative grants the legislature authority to do so. *County of San Diego v. San Diego NORML*, 165 Cal. App. 4th 798, 829 (2008). An amendment includes any legislation that adds to or takes away from an existing statute, or changes its scope or effect. *Knight v. Superior Court*, 128 Cal. App. 4th 14, 22 (2005). Section 225 does not indicate that the City Council may amend it. Therefore, the City's authority to legislate in this area is narrow:

At the same time, despite the strict bar on the Legislature's authority to amend initiative statutes, judicial decisions have observed that this body is not thereby precluded from enacting laws addressing the general subject matter of an initiative. The Legislature remains free to address a "related but distinct area" . . . or a matter that an initiative measure "does not specifically authorize or prohibit."

People v. Kelly, 47 Cal. 4th 1008, 1025-1026 (2010) [citations omitted].

The draft Council Policy proposed in 1992 attempted to limit the scope and effect of section 225 in two respects, which might have been permissible based on the state of the law twenty-five years ago. However, under court opinions published since then which we have cited above, the draft Council Policy from 1992 would be considered an amendment to section 225 needing voter approval. We cannot carry over those limitations to the proposed ordinance.

The first limitation in the draft Council Policy was to only require disclosure of a person's name, identity, and interest for transactions submitted to City Council for approval. Nowhere in section 225 does it indicate that it only applies to transactions needing City Council approval. There is support for such an interpretation in the ballot argument where the proponents express frustration that the City Council does not know with whom it is being asked to do business. But the citizens vote on whether to approve the language in the initiative, not whether to approve the ballot arguments. The rules of statutory interpretation prohibit us from considering the legislative history if the language in section 225 is clear. Section 225 clearly states, without limitation, that no right, title, or interest in the City's real or personal property, or in a contract, lease, or franchise may be applied or bargained for without the required disclosures. There is no exception in section 225 for transactions that do not need City Council approval, so we cannot create one without voter approval.

The second limitation in the draft Council Policy from 1992 was to only require disclosure of the name and identity of (1) persons having financial interests of 5% or more in any entity doing business with the City, if that interest was also worth \$10,000 or more, and (2) persons who could reasonably anticipate receiving a benefit of \$10,000 or more from the transaction. There is no language in section 225 to suggest any percentage or value of ownership is a threshold for disclosure, or even that the interests to be disclosed are limited to financial interests.

In *People v. Kelly*, a defendant charged with possession of marijuana challenged a state statute establishing a numerical limit on how much marijuana he was allowed to possess. The defendant relied on the Compassionate Use Act, passed in 1996 by voter initiative, allowing the possession of marijuana for “personal medical purposes” without criminal prosecution. In 2003, the State Legislature passed a state statute clarifying the Compassionate Use Act by defining the amount of marijuana necessary for personal medical purposes as eight ounces. The defendant, who had more than eight ounces at his home, argued the State Legislature impermissibly amended the Compassionate Use Act without voter approval. The California Supreme Court agreed, concluding that the state legislation improperly restricted the scope of the Compassionate Use Act by establishing the lawful threshold for possession at eight ounces without voter approval. *People v. Kelly*, 47 Cal. 4th at 1043.

Section 225 requires disclosure of “the precise nature of all interests.” If the City Council were to approve legislation interpreting all interests as only being financial interests over 5% and \$10,000 it would be restricting the scope of section 225 both as to the type and amount of interests to be disclosed. According to the California Supreme Court’s reasoning in *People v. Kelly*, legislation like this would be an amendment to section 225 that needs voter approval.

With these limitations on the City’s legislative authority in mind, we have prepared a framework of a draft ordinance to facilitate the Rules Committee’s discussion. The draft ordinance (attached) contains several areas where we need policy direction from the Rules Committee to complete the ordinance. Surprisingly, there is nothing in section 225 that requires the information be provided to the City Council despite the concern expressed in the ballot argument that the City Council does not know the identity of those receiving City contracts. We will need direction on this and other policy questions where indicated in the draft ordinance by different choices of words that are underlined and italicized.

We have not carried over the two limitations found in the draft Council Policy from 1992, as those would amend section 225. If these limitations are important to the Committee, alternatively we can prepare a ballot initiative to amend section 225 in two years at the next municipal election.

CONCLUSION

Section 225 requires everyone seeking to contract with the City, or to obtain interests in the City’s real or personal property, to disclose the name, identity, and the precise nature of the interests, of all persons directly or indirectly involved in the transaction. The same disclosure applies to any transfer of such contracts or interests to another person. Section 225 does not require the disclosure of the name or identity of every person with any financial interest in the transaction, because that was not the intent of the initiative and compliance would be impractical in many instances.

The City Council cannot approve legislation that changes the scope or effect of section 225. Such legislation would be considered an amendment to section 225 needing voter approval. There are two such limitations in the draft Council Policy from 1992 that cannot be adopted without voter approval: (1) only applying section 225 to contracts that need City Council

approval, and (2) limiting disclosures to ownership interests over 5% and a value of \$10,000 or more. We have not included these limitations in the draft ordinance presented for your consideration.

JAN I. GOLDSMITH, City Attorney

By /s/ Thomas C. Zeleny
Thomas C. Zeleny
Chief Deputy City Attorney

TCZ:mt
ML-2016-15
Doc.No: 1362879

Attachment

cc: Andrea Tevlin, Independent Budget Analyst
Scott Chadwick, Chief Operating Officer

ATTACHMENT

ORDINANCE NUMBER O-_____ (NEW SERIES)

DATE OF FINAL PASSAGE _____

AN ORDINANCE AMENDING CHAPTER 2, ARTICLE 1,
DIVISION 1 OF THE SAN DIEGO MUNICIPAL CODE BY
ADDING SECTION 21.0103 REGARDING DISCLOSURE OF
BUSINESS INTERESTS.

WHEREAS, section 225 was added to the City Charter in 1992 by the passage of Proposition E to require disclosure of certain information by those proposing to do business with the City; and

WHEREAS, according to the ballot argument in favor of Proposition E, the purpose of Charter section 225 is to give the Mayor and City Council the right to know the identities and backgrounds of persons wanting to do business with the City and to prevent anonymous limited partners from potentially receiving millions of taxpayer dollars; and

WHEREAS, the City Council desires to clarify what information must be provided under Charter section 225 and the consequences of failing to provide such information to the City;

NOW, THEREFORE,

BE IT ORDAINED, by the Council of the City of San Diego, as follows:

Section 1. That Chapter 2, Article 1, Division 1, of the San Diego Municipal Code is amended by adding section 21.0103 to read as follows:

§ 21.0103 Mandatory Disclosure of Business Interests

(a) Terms defined in this section are indicated by italics. For purposes of this section:

(1) *Directly or indirectly involved* means pursuing the proposed *transaction* or transfer by communicating or negotiating with City

officers or employees, submitting or preparing applications, bids, proposals, or other documents for purposes of contracting with the City, or directing or supervising the actions of *persons* engaged in such activity.

- (2) *Person* means every natural person, joint venture, joint stock company, partnership, association, firm, club, company, corporation, business trust, organization or other entity.
- (3) *Transaction* means any right, title, or interest in the City's real or personal property, any contract or lease with the City, or any franchise, right, or privilege pursuant to San Diego Charter sections 103 or 103.1.
- (b) Prior to entering into a *transaction* with the City, every *person* who will be a party to the *transaction* shall provide the City with the name, identity, and the precise nature of the interest of all *persons* who are *directly or indirectly involved* in the *transaction*.
- (c) Prior to transferring any right, title, or interest in a *transaction* with the City, every *person* who will be a party to the transfer shall provide the City with the name, identity, and the precise nature of the interest of all *persons* who are *directly or indirectly involved* in the transfer.
- (d) For purposes of this section, the identity of a natural person shall be established by providing (the city and state/country of residence) (occupation) (other) of the natural person. The City Manager may require

additional information regarding a natural person's identity if necessary to distinguish between *persons* with the same name.

- (e) The precise nature of the interest to be disclosed shall include:
 - (1) the percentage of any ownership interest in a *person* that is a party to the *transaction* and any ownership interest in a *person* that will receive funds from the *transaction*,
 - (2) the value of any financial interest in the *transaction*,
 - (3) a description of any contingent interest in the *transaction*, including the value of the interest should the contingency be satisfied, and
 - (4) a description of any philanthropic, scientific, artistic, or property interest in the *transaction*.
- (f) All the information required to be disclosed to the City by this section shall be provided in writing to (the City department awarding or negotiating the transaction) (the City Manager) (the City Council) (other), include a written statement confirming that it is a full and complete disclosure of the required information, and signed by the *person* who is a party to the *transaction*. If more than one *person* is a party to the *transaction* with the City, the *persons* may jointly submit the information to the City provided each *person* signs and confirms it is a full and complete disclosure.
- (g) The City Manager shall provide the information to the City Council for any transactions (submitted to the City Council for approval) (over a

specified \$\$ amount) (certain types of transactions) (all transactions)
(other), before the City Council or Committee meeting where the
transaction will be considered.

- (h) This section does not require disclosure of information protected by the attorney-client privilege or where disclosure is prohibited by California or federal law.
- (i) The (City Manager) (City Council) (other) may reject a bid or proposal, refuse to enter into a proposed *transaction*, or reject the transfer of a *transaction*, if any *person* who will be a party to the *transaction* or transfer (knowingly) (blank) (other) submits false information or (knowingly) (blank) (other) omits information required to be disclosed by this section. A *transaction* or transfer is voidable by the (City Manager) (City Council) (other) if a party to the *transaction* or transfer (knowingly) (blank) (other) submitted false information or (knowingly) (blank) (other) omitted information required to be disclosed by this section.
- (j) If a bid or proposal is rejected by reason of a violation of this section, the person submitting the bid or proposal may protest the rejection of the bid or proposal pursuant to section 22.3017 of this Code.
- (k) If a *transaction* is voided or a transfer of a *transaction* denied by the City Manager by reason of a violation of this section, a person who is a party to the *transaction* may appeal the decision to the (City Council) (hearing officer pursuant to section 12.0401 et seq) (other) by providing written notice of appeal to the City Manager. Written notice of appeal must be

received by the City within ten days, excluding weekends and City holidays, after the City mailed notice that the *transaction* was voided or the transfer of the *transaction* was denied. *(Note this subsection is unnecessary if the City Council makes the decision to void the contract).*

Section 2. That a full reading of this ordinance is dispensed with prior to its passage, a written or printed copy having been made available to the City Council and the public prior to the day of its passage.

Section 3. That this ordinance shall take effect and be in force on the thirtieth day from and after its final passage.

TCZ:mt
October 6, 2016
Or.Dept:City Attorney
Doc. No.: 1366282_4