STATE OF CALIFORNIA
Franchise Tax Board

Bill Analysis

Author: Patterson, et al.	Sponsor:	Bill Number: AB 1652
	Related Bills: See Legislative History	Introduced: January 28, 2026

SUBJECT

State Agencies Nondisclosure Agreements

SUMMARY

This bill would, under the Government Code (GOV), prohibit an elective or appointive officer of a state agency from entering, or asking someone else to enter into, a nondisclosure agreement (NDA) relating to the discussion, drafting, or negotiation of a proposed regulation or legislation and void such NDAs.

RECOMMENDATION

No position—The three-member Franchise Tax Board has not formally voted or taken a position on this bill.

SUMMARY OF AMENDMENTS

Not applicable.

REASON FOR THE BILL

The reason for this bill is to increase transparency and accountability in California's government by prohibiting an elective or appointive officer of a state agency from entering into or requesting others to enter into an NDA for certain purposes.

ANALYSIS

Under the GOV, this bill would prohibit elective or appointive officers of state agencies from entering into, or asking someone else to enter into, an NDA relating to the discussion, drafting, or negotiation of a proposed regulation or legislation.

Any NDA involving the drafting, negotiation, or discussion of proposed regulations or legislation, entered into or requested by a state agency elective or appointive officer in their official capacity after the effective date of this bill, would be considered void and unenforceable.

An elective or appointed officer of a state agency would be able to enter into, or request an NDA that prevents the disclosure of trade secrets, private financial information, or proprietary information. Such agreements, or portions of such agreements, would not be considered void and unenforceable.

For purposes of this bill, the following terms are defined:

"Discussion" means direct or indirect communications engaged in by individuals for the purpose of reaching a decision regarding a proposed regulation or legislation.

"Drafting" means developing language for a proposed regulation or legislation pursuant to Chapter 1 in Part 1 of Division 3 in Title 2 of the GOV.

"Negotiation" means any form of direct or indirect communication whereby individuals who have opposing interests discuss the form of any proposed regulation or legislation that may resolve a dispute involving those interests.

Effective/Operative Date

This bill would be effective and operative January 1, 2027.

Federal/State Law

Federal Law

No comparable provision in federal law.

State Law

Current state law prohibits a Member of the Legislature, acting in their official capacity, from entering into, or requesting that another individual enter into, an NDA relating to the drafting, negotiation or discussion of proposed legislation. Any NDA entered into by a Member of the Legislature after January 1, 2026, is considered void and unenforceable unless it is for the purpose of protecting trade secrets, financial information, or proprietary information.

Implementation Considerations

None noted.

Technical Considerations

None noted.

Policy Considerations

None noted.

LEGISLATIVE HISTORY

AB 1370 (Patterson, et al., Chapter 191, Statutes of 2025) under the GOV, provides that a Member of the Legislature may not enter or request that another individual enter into a NDA, for purposes of discussing, drafting or negating proposed legislation.

PROGRAM BACKGROUND

None noted.

OTHER STATES' INFORMATION

None noted.

FISCAL IMPACT

Franchise Tax Board's costs to implement this bill have yet to be determined. As the bill moves through the legislative process, costs will be determined.

ECONOMIC IMPACT

Revenue Estimate

This bill as introduced on January 28, 2026, would not impact the computation of state income or franchise tax.

This analysis does not account for changes in employment, personal income, or gross state product that could result from this bill or for the net final payment method of accrual.

LEGAL IMPACT

None noted.

EQUITY IMPACT

None noted.

APPOINTMENTS

None noted.

SUPPORT/OPPOSITION

Senate Governmental Organization Committee, dated June 19, 2026

Support

California Business Roundtable
California Civil Liberties Advocacy
Oakland Privacy

Opposition

None received.

ARGUMENTS

Senate Governmental Organization Committee, dated June 19, 2026

Proponents

The California Civil Liberties Advocacy writes in part:

> "State regulations carry the force of law and often have sweeping consequences for California's property rights, occupational freedom, privacy, and economic opportunity. When regulatory language is drafted or negotiated behind closed doors under confidentiality agreements, public trust is eroded and meaningful civic participation is diminished. AB 1652 helps ensure that the people of California retain their constitutional right to access information concerning the conduct of the people's business."

Opponents

None received.

LEGISLATIVE CONTACT

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