

SB 329: Increase in Salary Cap for Council Members

On June 29, 2023 Governor Newsom signed into law Senate Bill 329 ("SB 329") which increases the maximum amount of salary that council members may receive. This legislation was intended to increase the compensation schedule for council members in general law cities, which had not been adjusted since 1984. SB 329 allows cities to increase the compensation to adjust for inflation in order to help keep city councils more diverse by allowing people from across different income levels to serve the public and support their families.

Currently, Government Code section 36516 authorizes a city council to enact an ordinance to provide each member of the city council a salary, with a maximum limit based upon the population of the city in accordance with a specific schedule. Any increases in salary are also limited and cannot exceed 5% for each calendar year from the operative date of the last adjustment of the salary that is in effect when the increase is enacted.

SB 329 amends Government Code section 36516 to increase the maximum amount of salaries identified in the schedule. For example, for cities up to and including 35,000 in population, the salary for each council member has been increased from $300 per month to up to $950 per month. SB 329 also authorizes the salary of council members to be increased beyond the specified maximum to an amount not exceeding the greater of **either** 5% for each calendar year from the operative date of the last adjustment of the salary **or** an amount equal to inflation since January 1, 2024, based on the California Consumer Price Index (Not to exceed 10% per calendar year).

No ordinance can be enacted or amended to provide automatic future increases in salary and the electors can consider the question of whether city council members should receive a salary and the amount of the salary may be submitted to the electors. Any retirement, health and welfare, federal social security benefits, or reimbursement for actual and necessary expenses are not included for purposes of determining salary under section 36516.

SB 329 requires that an ordinance to increase council member compensation be considered in an open session with at least two regular meetings. The ordinance must include findings demonstrating

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the need for the increased compensation and there must be a least **seven days** between the introduction and adoption of the ordinance.

SB 329 goes into effect on January 1, 2024. However, it is important to note that pursuant to Government Code section 36516.5, any council salary increase may take effect only when at least one member of the council commences a new term.

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