

# Governor Newsom Signs Bill Allowing Increases to City Council Salaries

07.19.2023

The Legislature has amended state law to increase the authorized base salary of city councilmembers for the first time since 1984 and to allow cities to increase salaries annually thereafter to adjust for inflation. **SB 329**, effective January 1, 2024, authorizes cities to raise the maximum salary that may be approved for city councilmembers, which is based on a city's population. The law also allows cities to approve subsequent salary adjustments by ordinance on a yearly basis by up to 5%, or an amount equal to inflation based on the California Consumer Price Index (but not to exceed 10%), whichever is greater.

Pursuant to SB 329, salary increases must be enacted by ordinance. Any ordinance increasing salary must be considered during the open session of at least two regular city council meetings separated by at least seven days. The ordinance must demonstrate the need for increased compensation, and may not provide for automatic future increases in salary.

SB 329 does not change existing law governing when compensation changes may take effect. Changes to councilmember salaries do not take effect until a new city council term begins. In the case of councilmembers serving staggered terms, all councilmembers may receive the salary increase once one or more councilmembers begin a new term in office.

For further information regarding this new law, please contact **Taylor Foland**, or any other attorney in our **Public Law Department**.

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Taylor Foland

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