<u>Legislative Report</u>
<u>September 2015</u>

The Legislature went through their typical last-minute rush, ending the current session on September 11. Only bills that were passed by both houses and sent to enrollment, or signed by the Governor are included in this report. Bills discussed in earlier reports, provided they passed at least one house and are still alive as a two-year bill will be revisited.

Except for any news regarding signing or vetoing of any bills herein by the Governor, this will be my last report until the next Legislative session.

AB 10 (Gatto) would increase the thresholds at which a public official has a disqualifying financial interest in sources of income from $500 to $1,000, in investments in business entities from $2,000 to $5,000, and in interests in real property from $2,000 to $10,000, and would make conforming adjustments to the thresholds at which income, investments, and interests in real property must be disclosed on a public official's statement of economic interests. It would also require certain public officials to disclose information on their statement of economic interests relating to governmental decisions for which they had a disqualifying financial interest. It also requires that a single payment of $5000 or more, or aggregate payments of $5000 or more from the same source within a calendar year, for legislative, governmental, or charitable purposes made at the behest of a candidate for office, or a public official, be reported within 30 days of receipt, **if the behested payment or payments would financially benefit the former office holder or his or her immediate family, the former officeholder's employer or the employer of a member of his or her immediate family, or an entity with whom the former officeholder or a member of his or her immediate family is negotiating employment. The bill passed out of the Senate on September 9 (40-0) and the amendments made in the Senate were concurred in by the Assembly on September 10 (80-0). The bill was sent to enrollment.**

AB 883 (Low) would prohibit employers from asking directly or indirectly, on applications for job openings, if applicants are current or former public employees, nor may they disqualify an applicant for employment because he or she is a current or former public employee. There was concern that public employers would use this tactic to avoid employing persons who would have to be placed in a legacy retirement tier, as opposed to being a PEPRA employee. **This bill was amended in the Senate on September 4 to allow the question to only be asked after it is determined that the applicant meets the qualifications of the position. It passed the Senate on September 9 (29-9) and the Senate amendments were concurred in on September 10 by the Assembly (65-13) and sent to enrollment.**

AB 963 (Bonilla) would revise the definition of creditable service under the Teacher's Retirement Law for service rendered prior to December 31, 2015. **It passed the Senate on September 2 (40-0). The Assembly concurred in the Senate amendments on September 8 (78-0) and the bill was sent to enrollment.**

AB 1031 (Thurmond) would require any public agency that has elected to become subject to PEMCHA to make its required employer contributions **including reimbursement for Medicare Part B premiums, if agreed upon in collective bargaining. It passed the Senate on September 3 (33-6). The Assembly concurred in the Senate amendments on September 4 (79-0) and the bill was sent to enrollment.**

SB 21 (Hill) would require a nonprofit organization that pays for certain types of travel for an elected state officer or local elected officeholder that are reasonably related to a legislative or governmental purpose, or to an issue of state, national, or international public policy, to disclose the names of donors responsible for funding the payments. The Political Reform Act currently exempts such gift payments for the actual costs of specified travel from the annual limit on the value of gifts from a single source. The bill would also require a person who receives a gift of a travel payment from any source to report the travel destination on his or her statement of economic interests. **The bill passed the Assembly on September 8 (78-0), the Senate on September 10 (37-1), and sent to the Governor on September 11.**

SB 185 (De Leon) would require the boards of PERS and STRS to divest the public employee retirement funds of any investments and prohibit additional or new investments or the renewal of existing investments in a thermal coal company. This bill would require these actions to be undertaken consistent with the board's fiduciary responsibilities specified in the California Constitution. **The bill passed the Assembly on September 2 (47-30) and sent to the Governor on September 8.**

SB 216 (Pan). PERL directs the PERS board to invest not less than 25 % of all funds that become available in a fiscal year for new investments in specified obligations and securities connected with residential realty, subject to the board's authority to substitute other investments consistent with its fiduciary obligations to the retirement system and standards for prudent investment. This bill would repeal these provisions regarding investing in residential realty. It would also reduce the frequency of a currently required quarterly report on the system's portfolio. Finally, it would require that the option to purchase service credit for a period a state employee was on uncompensated leave be elected prior to retirement, that the member be returning to state service. Under current law, the board has the authority to audit employers to determine the correctness of retirement benefits, reportable compensation, enrollment in, and reinstatement to the system. **The Senate concurred in the Assembly amendments on August 20 (38-0) and the bill was signed by the Governor on September 2 (Chap. 244).**

SB 272 (Hertzberg) requires each local agency, except local educational agencies, in implementing the California Public Records Act, to make a catalog of enterprise systems used by the local agency available to the public, along with related information. **The bill passed the Assembly on September 4 (79-0). The Senate concurred in the Assembly amendments on September 8 (40-0) and the bill was sent to enrollment.**

SB 292 (Pan) provides that the requirement for employees subject to PEPRA to pay 50% of the actuarial normal cost of their pension benefits does not apply in cities and counties in which voter-approved tax levies were enacted prior to 1978 for the purpose of paying pension costs. **The bill passed both the Assembly and the Senate on September 11 and sent to enrollment**.

SB 354 (Huff) pertains to PEPRA and addresses retirement benefits for employees of agencies that become part of a joint powers agency. **The Governor signed the bill on August 10 (Chapter 158).**