

AMENDED IN SENATE JUNE 26, 2003

CALIFORNIA LEGISLATURE—2003–04 REGULAR SESSION

**ASSEMBLY BILL**

**No. 1064**

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**Introduced by Assembly Member Laird**

February 20, 2003

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An act to amend Section 125550 of, and to add Sections 99159 and 120523 to, the Public Utilities Code, and to add Section 27512 to the Streets and Highways Code, relating to public transit district pension plans.

LEGISLATIVE COUNSEL'S DIGEST

AB 1064, as amended, Laird. Public transit district pension plans.

Existing law authorizes public transit districts and transit development boards to provide a retirement or pension plan for their employees.

This bill would require any pension or retirement plan provided by those districts or boards or by the Golden Gate Bridge, Highway and Transportation District for represented employees to be maintained pursuant to a collective bargaining agreement and managed and administered by a retirement board with equal representation of labor and management in accordance with existing state and federal law, except as specified.

The bill would make related legislative findings.

Vote: majority. Appropriation: no. Fiscal committee: no. State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. The Legislature finds and declares:

2 (a) In general, public transit systems in California have evolved  
3 through the takeover and consolidation of private transit  
4 operations by legislatively created public transit agencies. In the  
5 process of this evolution, all or a portion of private transit system  
6 retirement plans have been replaced by the current public transit  
7 retirement systems.

8 (b) In recognition of the private sector origins of these public  
9 transit systems and to meet the collective bargaining obligations  
10 imposed upon local agencies by federal law, most of the enabling  
11 legislation enacted by the Legislature has required transit district  
12 labor-management relations and public transit pension plans to be  
13 administered by reference to and consistent with the federal Labor  
14 Management Relations Act, 1947 (29 U.S.C. Sec. 141 et seq.).  
15 That act requires that pension plans applicable to employees  
16 represented by labor organizations operate under strong standards  
17 of fiduciary responsibility, including the requirement that those  
18 plans be administered and managed by boards of trustees  
19 consisting of equal representation of labor and management (29  
20 U.S.C. Sec. 186(c)(5)).

21 (c) In addition, in adopting Proposition 162, which amended  
22 Section 17 of Article XVI of the California Constitution, the voters  
23 established that the public policy of this state is that a public  
24 retirement and pension system shall be administered and its  
25 pension assets shall be managed by a retirement board that is  
26 independent of the public agency governing board.

27 (d) Therefore, in order to further the objectives of uniform  
28 administration of labor-management relations and independence  
29 of collectively bargained retirement and pension systems in the  
30 public transit industry, the Legislature deems it appropriate that  
31 uniform provisions for the administration and management of  
32 collectively bargained pension plans, based upon the  
33 private-sector model established in the federal Labor Management  
34 Relations Act, 1947, be applied to all transit districts or agencies  
35 established pursuant to Division 10 (commencing with Section  
36 24501), Division 11 (commencing with Section 120000), and  
37 Division 11.5 (commencing with Section 125000) of the Public



1 Utilities Code and Chapter 18 of Part 3 of Division 16 of the Streets  
2 and Highways Code.

3 SEC. 2. Section 99159 is added to the Public Utilities Code,  
4 to read:

5 99159. (a) Any retirement system established or maintained  
6 pursuant to this division for employees of a transit district who are  
7 members of a unit appropriate for collective bargaining shall be  
8 maintained pursuant to a collective bargaining agreement and this  
9 section.

10 (b) Notwithstanding any other provision of this division, the  
11 retirement system and the funds of the system shall be managed  
12 and administered by a retirement board composed of equal  
13 representation of labor and management. Any deadlock among the  
14 members of the board with respect to that management and  
15 administration shall be resolved in the manner specified in Section  
16 302 of the federal Labor Management Relations Act, 1947 (29  
17 U.S.C. Sec. 186(c)(5)).

18 (c) The duties and responsibilities of the retirement board shall  
19 be executed in accordance with Section 17 of Article XVI of the  
20 California Constitution.

21 (d) This section does not apply to any public transit district that  
22 has, pursuant to a collective bargaining agreement, provided  
23 membership for the district's represented employees in the Public  
24 Employees' Retirement System, a retirement system established  
25 pursuant to the County Employees Retirement Law of 1937, or a  
26 pension trust subject to the Employee Retirement Income Security  
27 Act of 1974 (29 U.S.C. Sec. 1001 et seq.).

28 SEC. 3. Section 120523 is added to the Public Utilities Code,  
29 to read:

30 120523. (a) Any pension plan maintained by the board  
31 pursuant to this division for employees of the board who are  
32 members of a unit appropriate for collective bargaining shall be  
33 maintained pursuant to a collective bargaining agreement and this  
34 section.

35 (b) The pension plan and the funds of the plan shall be managed  
36 and administered by a retirement board composed of equal  
37 representation of labor and management. Any deadlock among the  
38 members of the board with respect to that management and  
39 administration shall be resolved in the manner specified in Section



1 302 of the federal Labor Management Relations Act, 1947 (29  
2 U.S.C. Sec. 186(c)(5)).

3 (c) The duties and responsibilities of the retirement board shall  
4 be executed in accordance with Section 17 of Article XVI of the  
5 California Constitution.

6 (d) This section does not apply if the board has, pursuant to a  
7 collective bargaining agreement, provided membership for the  
8 board's represented employees in the Public Employees'  
9 Retirement System, a retirement system established pursuant to  
10 the County Employees Retirement Law of 1937, or a pension trust  
11 subject to the Employee Retirement Income Security Act of 1974  
12 (29 U.S.C. Sec. 1001 et seq.).

13 SEC. 4. Section 125550 of the Public Utilities Code is  
14 amended to read:

15 125550. (a) The adoption, terms, and conditions of a pension  
16 plan covering employees of the board in a bargaining unit  
17 represented by a labor organization shall be pursuant to a collective  
18 bargaining agreement between that organization and the board and  
19 shall be subject to this section.

20 (b) The pension plan and the funds of the plan shall be managed  
21 and administered by a retirement board composed of equal  
22 representation of labor and management. Any deadlock among the  
23 members of the board with respect to that management and  
24 administration shall be resolved in the manner specified in Section  
25 302 of the federal Labor Management Relations Act, 1947 (29  
26 U.S.C. Sec. 186(c)(5)).

27 (c) The duties and responsibilities of the retirement board shall  
28 be executed in accordance with Section 17 of Article XVI of the  
29 California Constitution.

30 (d) This section does not apply if the board has, pursuant to a  
31 collective bargaining agreement, provided membership for the  
32 board's represented employees in the Public Employees'  
33 Retirement System, a retirement system established pursuant to  
34 the County Employees Retirement Law of 1937, or a pension trust  
35 subject to the Employee Retirement Income Security Act of 1974  
36 (29 U.S.C. Sec. 1001 et seq.).

37 SEC. 5. Section 27512 is added to the Streets and Highways  
38 Code, to read:

39 27512. (a) The adoption, terms, and conditions of a pension  
40 plan covering employees of the district in a bargaining unit



1 represented by a labor organization shall be pursuant to a collective  
2 bargaining agreement between that organization and the board and  
3 shall be subject to this section.

4 (b) The pension plan and the funds of the plan shall be managed  
5 and administered by a retirement board composed of equal  
6 representation of labor and management. Any deadlock among the  
7 members of the board with respect to that management and  
8 administration shall be resolved in the manner specified in Section  
9 302 of the federal Labor Management Relations Act, 1947 (29  
10 U.S.C. Sec. 186(c)(5)).

11 (c) The duties and responsibilities of the retirement board shall  
12 be executed in accordance with Section 17 of Article XVI of the  
13 California Constitution.

14 (d) This section does not apply if the district has, pursuant to a  
15 collective bargaining agreement, provided membership for the  
16 district's represented employees in the Public Employees'  
17 Retirement System, a retirement system established pursuant to  
18 the County Employees Retirement Law of 1937, or a pension trust  
19 subject to the Employee Retirement Income Security Act of 1974  
20 (29 U.S.C. Sec. 1001 et seq.)

21 *SEC. 6. This act may not become operative in any district in*  
22 *which the provisions of this act would result in a change in the*  
23 *number, term, and method of selection or removal of elected*  
24 *employee members and, pursuant to subdivision (f) of Section 17*  
25 *of Article XVI of the California Constitution, would require a vote*  
26 *of the electors of the jurisdiction.*

