

AMENDED IN ASSEMBLY APRIL 10, 2012

AMENDED IN ASSEMBLY MARCH 29, 2012

CALIFORNIA LEGISLATURE—2011–12 REGULAR SESSION

**ASSEMBLY BILL**

**No. 2115**

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**Introduced by Assembly Member Alejo**

February 23, 2012

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An act to ~~add Section 7514.6 to the Government Code~~ *amend Section 32121.5 of the Health and Safety Code*, relating to ~~public employees' retirement~~ *local hospital districts*.

LEGISLATIVE COUNSEL'S DIGEST

AB 2115, as amended, Alejo. ~~Public employees' retirement: pension limitation.~~ *Local hospital districts: employment contracts.*

*Existing law, the Local Health Care District Law, regulates local hospital districts and authorizes the hospital districts to exercise specified powers. Existing law authorizes a local hospital district to enter into an employment contract with a hospital administrator.*

*This bill would require a local hospital district that employs a hospital administrator to enter into a written employment contract with the hospital administrator, thereby imposing a state-mandated local program.*

*The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.*

*This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state,*

*reimbursement for those costs shall be made pursuant to these statutory provisions.*

~~Existing law establishes the Public Employees' Retirement System and the State Teachers' Retirement System for the purpose of providing pension benefits to their employees. Existing law also establishes the Judges' Retirement System II which provides pension benefits to elected judges and the Legislators' Retirement System which provides pension benefits to elective officers of the state other than judges and to legislative statutory officers. The County Employees Retirement Law of 1937 authorizes counties to establish retirement systems pursuant to its provisions in order to provide pension benefits to county, city, and district employees. The Regents of the University of California have established the University of California Retirement System as a trust for this purpose.~~

~~This bill would prohibit the pension benefit of a person who is a member of a public retirement system from exceeding \$173,987 per year.~~

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

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

1     SECTION 1. *Section 32121.5 of the Health and Safety Code*  
2 *is amended to read:*

3     32121.5. *Notwithstanding any other provision of this division,*  
4 *a local hospital district may shall, if employing a hospital*  
5 *administrator, enter into a written contract of employment with a*  
6 *the hospital administrator, the. The duration of which the*  
7 *employment contract shall not exceed four years, but which may*  
8 *periodically be renewed upon expiration for not more than four*  
9 *years.*

10    SEC. 2. *If the Commission on State Mandates determines that*  
11 *this act contains costs mandated by the state, reimbursement to*  
12 *local agencies and school districts for those costs shall be made*  
13 *pursuant to Part 7 (commencing with Section 17500) of Division*  
14 *4 of Title 2 of the Government Code.*

15    SECTION 1. ~~Section 7514.6 is added to the Government Code,~~  
16 ~~to read:~~

17    7514.6. ~~(a) Notwithstanding any other law, for purposes of~~  
18 ~~determining the defined pension benefit of a person who is a~~

1 member of a public retirement system, the maximum amount of  
2 that benefit shall not exceed one hundred seventy-three thousand  
3 nine hundred eighty-seven dollars (\$173,987) per year.

4 (b) For purposes of this section, the following definitions apply:

5 (1) “Public employer” means:

6 (A) The state and every state entity, including, but not limited  
7 to, the Legislature, the courts, the California State University, and  
8 the University of California.

9 (B) Any political subdivision of the state, including, but not  
10 limited to, a city, county, city and county, charter city, charter  
11 county, charter city and county, school district, community college  
12 district, joint powers authority, joint powers agency, and any public  
13 agency, authority, board, commission, district, or other entity.

14 (2) “Public retirement system” means any pension or retirement  
15 system of a public employer.

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