

**ASSEMBLY BILL**

**No. 822**

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**Introduced by Assembly Member Hall**

February 21, 2013

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An act to amend Section 9255 of, and to add Section 9611 to, the Elections Code, relating to elections.

LEGISLATIVE COUNSEL'S DIGEST

AB 822, as introduced, Hall. Local government retirement plans.

Under existing law, the adoption of a charter or amendment to a charter of a city or city and county may be submitted to the voters at a statewide general, statewide primary, or regularly scheduled municipal election.

This bill would require a charter or charter amendment that proposes to alter, replace, or eliminate the retirement benefit plan of employees of the city or city and county to be submitted to voters at a statewide general election.

Existing law requires local legislative bodies, before authorizing changes in public retirement plan benefits or other postemployment benefits, to secure the services of an actuary to provide a statement of the actuarial impact of the changes.

This bill would require, whenever a local measure qualifies for the ballot that proposes to alter, replace, or eliminate the retirement benefit plan of employees of a local government entity, whether by initiative or legislative action, the governing body of the local government entity to secure the services of an independent actuary to provide a statement, not to exceed 500 words in length, of the actuarial impact of the proposed measure upon future annual costs of the retirement benefit plan, and to have this statement printed on the ballot. The bill would

require, under certain circumstances, that the proponents of an initiative measure pay an additional filing fee to pay for the costs of the actuarial impact statement, which would be refunded if the measure is approved by the voters. The bill would require the governing body to make public at least 2 weeks prior to the election the future costs that will result from the changes to the retirement plan proposed by the measure. The bill would require a specified notice regarding obtaining a copy of the measure to be printed on the ballot, if text of the measure is not printed on the ballot, nor in the voter information portion of the sample ballot.

By imposing new requirements on local governments, the bill would impose 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.

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

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

1 SECTION 1. Section 9255 of the Elections Code is amended  
 2 to read:  
 3 9255. (a) ~~A(1)~~ *Except as otherwise provided in paragraph*  
 4 *(2), a charter or charter amendment proposed by a charter*  
 5 *commission, whether elected or appointed by a governing body,*  
 6 *for a city or city and county shall be submitted to the voters at an*  
 7 *established statewide general, statewide primary, or regularly*  
 8 *scheduled municipal election date pursuant to Section 1200, 1201,*  
 9 *or 1301, provided that there are at least 95 days before the election.*  
 10 *A charter commission may also submit a charter pursuant to*  
 11 *Section 34455 of the Government Code.*  
 12 *(2) A charter or charter amendment described in paragraph*  
 13 *(1) that proposes to alter, replace, or eliminate the retirement*  
 14 *benefit plan of employees of the city or city and county shall be*  
 15 *submitted to voters only at an established statewide general*  
 16 *election.*

1 (b) ~~The~~(1) *Except as otherwise provided in paragraph (2), the*  
2 following city or city and county charter proposals shall be  
3 submitted to the voters at an established statewide general,  
4 statewide primary, or regularly scheduled municipal election,  
5 pursuant to Section 1200, 1201, or 1301, provided that there are  
6 at least 88 days before the election:

7 ~~(1)~~

8 (A) An amendment or repeal of a charter proposed by the  
9 governing body of a city or a city and county on its own motion.

10 ~~(2)~~

11 (B) An amendment or repeal of a city charter proposed by a  
12 petition signed by 15 percent of the registered voters of the city.

13 ~~(3)~~

14  
15 (C) An amendment or repeal of a city and county charter  
16 proposed by a petition signed by 10 percent of the registered voters  
17 of the city and county.

18 ~~(4)~~

19 (D) A recodification of the charter proposed by the governing  
20 body on its own motion, provided that the recodification does not,  
21 in any manner, substantially change the provisions of the charter.

22 (2) *A charter or charter amendment described in paragraph*  
23 *(1) that proposes to alter, replace, or eliminate the retirement*  
24 *benefit plan of employees of the city or city and county shall be*  
25 *submitted to voters only at an established statewide general*  
26 *election.*

27 (c) Charter proposals by the governing body and charter  
28 proposals by petition of the voters may be submitted at the same  
29 election.

30 (d) The total number of registered voters of the city or city and  
31 county shall be determined according to the county elections  
32 official's last official report of registration to the Secretary of State  
33 that was effective at the time the notice required pursuant to Section  
34 9256 was given.

35 SEC. 2. Section 9611 is added to the Elections Code, following  
36 Section 9610, to read:

37 9611. (a) Whenever a local measure qualifies for the ballot  
38 that proposes to alter, replace, or eliminate the retirement benefit  
39 plan of employees of a local government entity, whether by

1 initiative or legislative action, the governing body of the local  
2 government entity shall do all of the following:

3 (1) Secure the services of an independent actuary to provide a  
4 statement, not to exceed 500 words in length, of the actuarial  
5 impact of the proposed measure upon future annual costs of the  
6 retirement benefit plan, including normal cost and any additional  
7 accrued liability.

8 (2) Make public at a public meeting at least two weeks prior to  
9 the election that the measure has qualified for, the future costs that  
10 will result from the changes to the retirement plan proposed by  
11 the measure.

12 (b) The statement provided pursuant to paragraph (1) of  
13 subdivision (a) shall be printed on the ballot preceding the  
14 arguments for and against the measure, if any.

15 (c) If the entire text of the measure is not printed on the ballot,  
16 nor in the voter information portion of the sample ballot, there  
17 shall be printed immediately below the independent actuarial  
18 analysis, in no less than 10-point bold type, a legend substantially  
19 as follows:

20 “The above statement is an independent actuarial analysis of  
21 Ordinance or Measure \_\_\_\_\_. If you desire a copy of the ordinance  
22 or measure, please call the elections official’s office at (insert  
23 telephone number) and a copy will be mailed at no cost to you.”

24 (d) If a measure described in this section qualifies for the ballot  
25 pursuant to an initiative petition described in Section 9101, 9102,  
26 9201, or 9301, the proponents of the measure shall pay an  
27 additional filing fee to pay for the costs of the actuarial impact  
28 statement in an amount to be established by the local governing  
29 body, not to exceed five hundred dollars (\$500). If the measure is  
30 adopted by the voters, the fee shall be refunded to the proponent.

31 (e) For the purpose of this section:

32 (1) “Actuary” has the same meaning as in Section 7507 of the  
33 Government Code.

34 (2) “Future annual costs” has the same meaning as in Section  
35 7507 of the Government Code.

36 (3) “Local government entity” includes a city, county, city and  
37 county, school district, community college district, county board  
38 of education, and special district.

39 (f) The requirements of this section apply to a charter city,  
40 charter city and county, or charter county.

1 SEC. 3. The Legislature finds and declares that the security of  
2 public moneys and the fiscal integrity of local governmental entities  
3 in this state, including charter cities and charter counties, have a  
4 direct impact on the long-term well-being of all residents of this  
5 state. Further, many local governments experiencing budgetary  
6 crises have difficulty providing sufficient public safety services  
7 and place additional burdens on resources of the state. Accordingly,  
8 ensuring an informed electorate with respect to the statewide  
9 integrity and security of government pension systems and ensuring  
10 the sufficiency of public safety services are matters of statewide  
11 concern and not a municipal affair, as that term is used in Section  
12 5 of Article XI of the California Constitution.

13 SEC. 4. If the Commission on State Mandates determines that  
14 this act contains costs mandated by the state, reimbursement to  
15 local agencies and school districts for those costs shall be made  
16 pursuant to Part 7 (commencing with Section 17500) of Division  
17 4 of Title 2 of the Government Code.

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