

AMENDED IN SENATE JUNE 20, 2013

AMENDED IN ASSEMBLY APRIL 30, 2013

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

ASSEMBLY BILL

No. 822

Introduced by Assembly Member Hall

February 21, 2013

An act to add Section 9611 to the Elections Code, relating to elections.

LEGISLATIVE COUNSEL'S DIGEST

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

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 in the voter information portion of the sample 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 annual 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 in the voter information portion of the sample ballot, if the text of the measure is not printed on the ballot, nor in the voter information portion of the sample ballot. The bill would require the measure to be submitted to the voters only at a statewide general election *held pursuant to existing law*. The requirements of the bill would apply to a charter city, charter city and county, or charter county.

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 9611 is added to the Elections Code,
- 2 following Section 9610, to read:
- 3 9611. (a) Whenever a local measure qualifies for the ballot
- 4 that proposes to alter, replace, or eliminate the retirement benefit
- 5 plan of employees of a local government entity, whether by
- 6 initiative or legislative action, the governing body of the local
- 7 government entity shall do all of the following:
- 8 (1) Secure the services of an independent actuary to provide a
- 9 statement, not to exceed 500 words in length, of the actuarial
- 10 impact of the proposed measure upon future annual costs of the
- 11 retirement benefit plan, including normal costs and any additional
- 12 accrued liability.
- 13 (2) Make public at a public meeting, at least two weeks prior
- 14 to the election that the measure has qualified for, the future annual
- 15 costs that will result from the changes to the retirement plan
- 16 proposed by the measure.
- 17 (b) The statement provided pursuant to paragraph (1) of
- 18 subdivision (a) shall be printed in the voter information portion of

1 the sample ballot preceding the arguments for and against the
2 measure, if any.

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

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

12 (d) If a measure described in this section qualifies for the ballot
13 pursuant to an initiative petition described in Section 9101, 9102,
14 9201, or 9301, the proponents of the measure shall pay an
15 additional filing fee to pay for the costs of the actuarial impact
16 statement in an amount to be established by the local governing
17 body, not to exceed five hundred dollars (\$500). If the measure is
18 adopted by the voters, the fee shall be refunded to the proponents.

19 (e) Notwithstanding any other provision of law, a measure
20 described in this section that qualifies for the ballot shall be
21 submitted to the voters only at an established statewide general
22 election *held pursuant to Section 1200*.

23 (f) For the purpose of this section:

24 (1) “Actuary” has the same meaning as set forth in Section 7507
25 of the Government Code.

26 (2) “Future annual costs” has the same meaning as set forth in
27 Section 7507 of the Government Code.

28 (3) “Local government entity” includes a city, county, city and
29 county, school district, community college district, county board
30 of education, and special district.

31 (g) The requirements of this section apply to a charter city,
32 charter city and county, or charter county.

33 SEC. 2. The Legislature finds and declares that the security of
34 public moneys and the fiscal integrity of local governmental entities
35 in this state, including charter cities and charter counties, have a
36 direct impact on the long-term well-being of all residents of this
37 state. Further, many local governments experiencing budgetary
38 crises have difficulty providing sufficient public safety services
39 and place additional burdens on resources of the state. Accordingly,
40 ensuring an informed electorate with respect to the statewide

1 integrity and security of government pension systems and ensuring
2 the sufficiency of public safety services are matters of statewide
3 concern and not a municipal affair, as that term is used in Section
4 5 of Article XI of the California Constitution.

5 SEC. 3. If the Commission on State Mandates determines that
6 this act contains costs mandated by the state, reimbursement to
7 local agencies and school districts for those costs shall be made
8 pursuant to Part 7 (commencing with Section 17500) of Division
9 4 of Title 2 of the Government Code.