

AMENDED IN ASSEMBLY MARCH 21, 2013

CALIFORNIA LEGISLATURE—2013—14 REGULAR SESSION

ASSEMBLY BILL

No. 1175

Introduced by Assembly Member Bocanegra

February 22, 2013

An act to ~~amend Section 22875.5 of~~ *add Section 22875.6 to the Government Code*, relating to public employee benefits.

LEGISLATIVE COUNSEL'S DIGEST

AB 1175, as amended, Bocanegra. Public employee benefits: postemployment health care.

The Public Employees' Medical and Hospital Care Act (PEMHCA), which is administered by the Board of Administration of the Public Employees' Retirement System, establishes provisions governing postemployment health care benefits for members and their families that vest upon meeting certain requirements. Existing law also establishes various postemployment health care benefits under other benefit systems, including those offered by counties, districts, and cities.

~~The PEMHCA prohibits compensated service rendered by personnel related to a function that has been assumed by the state from a public agency from being considered state service for purposes of these vesting requirements, unless specified conditions are met.~~

This bill would ~~make technical, nonsubstantive changes to these provisions~~, if the governing board of the designated local authority for the former redevelopment agency within the County of Los Angeles acts to dissolve that authority, require the governing board to identify the entity responsible for assuming the enforceable obligation of the authority for the amount necessary to fully compensate for the postretirement health benefit costs of specified personnel.

The bill would include findings and declarations regarding the necessity of a special statute.

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

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

1 SECTION 1. Section 22875.6 is added to the Government Code,
2 to read:

3 22875.6. *If the governing board of the designated local*
4 *authority, as defined in paragraph (3) of subdivision (d) of Section*
5 *34173 of the Health and Safety Code, for the former redevelopment*
6 *agency in Los Angeles acts to dissolve the designated local*
7 *authority, the governing board shall identify the entity responsible*
8 *for assuming the enforceable obligation of the authority, as*
9 *described in paragraph (1) of subdivision (d) of Section 34171 of*
10 *the Health and Safety Code, for the amount necessary to fully*
11 *compensate for the postretirement health benefit costs of the former*
12 *personnel of the authority and the former redevelopment agency.*
13 *The identified entity shall be considered the employer of the former*
14 *personnel of the authority and the former redevelopment agency*
15 *for purposes of making ongoing contributions for premium*
16 *payments pursuant to this part.*

17 SEC. 2. *The Legislature finds and declares that a special law*
18 *is necessary and that a general law cannot be made applicable*
19 *within the meaning of Section 16 of Article IV of the California*
20 *Constitution because of the following: Due to the circumstances*
21 *that established a unique designated local authority for the former*
22 *redevelopment agency of Los Angeles that does not consist of the*
23 *city or county, and the unique contractual relationship between*
24 *the designated local authority and CalPERS, a special law is*
25 *necessary.*

26 ~~SECTION 1. Section 22875.5 of the Government Code is~~
27 ~~amended to read:~~

28 ~~22875.5. (a) If the state has assumed from a public agency a~~
29 ~~function and the related personnel, service rendered by that~~
30 ~~personnel for compensation as employees or appointed or elective~~
31 ~~officers of that public agency may not be credited as state service~~
32 ~~for the purposes of Section 22874 or 22875, unless both of the~~
33 ~~following apply:~~

- 1 ~~(1) The former employer has paid or agreed to pay the state the~~
2 ~~amount actuarially determined to equal the cost for any employee~~
3 ~~health benefits that were vested at the time that the function and~~
4 ~~the related personnel were assumed by the state.~~
5 ~~(2) The Department of Finance finds that the contract contains~~
6 ~~a benefit factor that is sufficient to reimburse the state for the~~
7 ~~amount necessary to fully compensate for the postretirement health~~
8 ~~benefit costs of those personnel.~~
9 ~~(b) For a noncontracting public agency, the state agency that~~
10 ~~has assumed the function shall certify the completed years of public~~
11 ~~agency service to be credited to the employee as state service credit~~
12 ~~under Section 22874 or 22875.~~