

**ASSEMBLY BILL**

**No. 1291**

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**Introduced by Assembly Member Williams**

February 27, 2015

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An act to amend Sections 31468 and 31522.5 of the Government Code, relating to retirement.

LEGISLATIVE COUNSEL'S DIGEST

AB 1291, as introduced, Williams. The County Employees Retirement Law of 1937.

Existing law, the County Employees Retirement Law of 1937, authorizes counties to establish retirement systems, as specified, in order to provide pension benefits to county, city, and district employees. Existing law defines a district for these purposes and includes specified county retirement systems within the definition.

This bill would include the retirement system established under these provisions in the County of Ventura within the definition of district.

The County Employees Retirement Law of 1937 also authorizes the board of retirement, in a county in which the board has appointed administrative, technical, and clerical staff personnel, to also appoint other administrators, managers, and legal counsel, as specified. These appointees are not classified as county employees and are therefor not subject to the civil service system, but are employees of the retirement system subject to the terms of employment determined by the board of retirement. Existing law authorizes the board of retirement in San Bernadino County to adopt, by resolution, those provisions classifying specified personnel as employees of the retirement system.

This bill would additionally authorize the board of retirement of Ventura County to adopt those provisions by resolution.

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. Section 31468 of the Government Code is  
 2 amended to read:  
 3 31468. (a) “District” means a district, formed under the laws  
 4 of the state, located wholly or partially within the county other  
 5 than a school district.  
 6 (b) “District” also includes any institution operated by two or  
 7 more counties, in one of which there has been adopted an ordinance  
 8 placing this chapter in operation.  
 9 (c) “District” also includes any organization or association  
 10 authorized by Chapter 26 of the Statutes of 1935, as amended by  
 11 Chapter 30 of the Statutes of 1941, or by Section 50024, which  
 12 organization or association is maintained and supported entirely  
 13 from funds derived from counties, and the board of any retirement  
 14 system is authorized to receive the officers and employees of that  
 15 organization or association into the retirement system managed  
 16 by the board.  
 17 (d) “District” also includes, but is not limited to, any sanitary  
 18 district formed under Part 1 (commencing with Section 6400) of  
 19 Division 6 of the Health and Safety Code.  
 20 (e) “District” also includes any city, public authority, public  
 21 agency, and any other political subdivision or public corporation  
 22 formed or created under the constitution or laws of this state and  
 23 located or having jurisdiction wholly or partially within the county.  
 24 (f) “District” also includes any nonprofit corporation or  
 25 association conducting an agricultural fair for the county pursuant  
 26 to a contract between the corporation or association and the board  
 27 of supervisors under the authority of Section 25905.  
 28 (g) “District” also includes the Regents of the University of  
 29 California, but with respect only to employees who were employees  
 30 of a county in a county hospital, who became university employees  
 31 pursuant to an agreement for transfer to the regents of a county  
 32 hospital or of the obligation to provide professional medical  
 33 services at a county hospital, and who under that agreement had  
 34 the right and did elect to continue membership in the county’s  
 35 retirement system established under this chapter.

1 (h) "District" also includes the South Coast Air Quality  
2 Management District, a new public agency created on February  
3 1, 1977, pursuant to Chapter 5.5 (commencing with Section 40400)  
4 of Part 3 of Division 26 of the Health and Safety Code.

5 (1) Employees of the South Coast Air Quality Management  
6 District shall be deemed to be employees of a new public agency  
7 occupying new positions on February 1, 1977. On that date, those  
8 new positions are deemed not to have been covered by any  
9 retirement system.

10 (2) No retirement system coverage may be effected for an  
11 employee of the South Coast Air Quality Management District  
12 who commenced employment with the district during the period  
13 commencing on February 1, 1977, and ending on December 31,  
14 1978, unless and until the employee shall have elected whether to  
15 become a member of the retirement association established in  
16 accordance with this chapter for employees of Los Angeles County  
17 or the retirement association established in accordance with this  
18 chapter for employees of San Bernardino County. The election  
19 shall occur before January 1, 1980. Any employee who fails to  
20 make the election provided for herein shall be deemed to have  
21 elected to become a member of the retirement association  
22 established in accordance with this chapter for the County of Los  
23 Angeles.

24 (3) The South Coast Air Quality Management District shall  
25 make application to the retirement associations established in  
26 accordance with this chapter for employees of Los Angeles County  
27 and San Bernardino County for coverage of employees of the South  
28 Coast Air Quality Management District.

29 (4) An employee of the South Coast Air Quality Management  
30 District who commenced employment with the district during the  
31 period commencing on February 1, 1977, and ending on December  
32 31, 1978, and who has not terminated employment before January  
33 1, 1980, shall be covered by the retirement association elected by  
34 the employee pursuant to paragraph (2). That coverage shall be  
35 effected no later than the first day of the first month following the  
36 date of the election provided for in paragraph (2).

37 (5) Each electing employee shall receive credit for all service  
38 with the South Coast Air Quality Management District. However,  
39 the elected retirement association may require, as a prerequisite  
40 to granting that credit, the payment of an appropriate sum of money

1 or the transfer of funds from another retirement association in an  
2 amount determined by an enrolled actuary and approved by the  
3 elected retirement association's board. The amount to be paid shall  
4 include all administrative and actuarial costs of making that  
5 determination. The amount to be paid shall be shared by the South  
6 Coast Air Quality Management District and the employee. The  
7 share to be paid by the employee shall be determined by good faith  
8 bargaining between the district and the recognized employee  
9 organization, but in no event shall the employee be required to  
10 contribute more than 25 percent of the total amount required to be  
11 paid. The elected retirement association's board may not grant that  
12 credit for that prior service unless the request for that credit is  
13 made to, and the required payment deposited with, the elected  
14 retirement association's board no earlier than January 1, 1980, and  
15 no later than June 30, 1980. The foregoing shall have no effect on  
16 any employee's rights to reciprocal benefits under Article 15  
17 (commencing with Section 31830).

18 (6) An employee of the South Coast Air Quality Management  
19 District who commenced employment with the district after  
20 December 31, 1978, shall be covered by the retirement association  
21 established in accordance with this chapter for employees of San  
22 Bernardino County. That coverage shall be effected as of the first  
23 day of the first month following the employee's commencement  
24 date.

25 (7) Notwithstanding paragraphs (2) and (4) above, employees  
26 of the South Coast Air Quality Management District who were  
27 employed between February 1, 1977, and December 31, 1978, and  
28 who terminate their employment between February 1, 1977, and  
29 January 1, 1980, shall be deemed to be members of the retirement  
30 association established in accordance with this chapter for the  
31 employees of Los Angeles County commencing on the date of  
32 their employment with the South Coast Air Quality Management  
33 District.

34 (i) "District" also includes any nonprofit corporation that  
35 operates one or more museums within a county of the 15th class,  
36 as described by Sections 28020 and 28036 of the Government  
37 Code, as amended by Chapter 1204 of the Statutes of 1971,  
38 pursuant to a contract between the corporation and the board of  
39 supervisors of the county, and that has entered into an agreement

1 with the board and the county setting forth the terms and conditions  
2 of the corporation's inclusion in the county's retirement system.

3 (j) "District" also includes any economic development  
4 association funded in whole or in part by a county of the 15th class,  
5 as described by Sections 28020 and 28036 of the Government  
6 Code, as amended by Chapter 1204 of the Statutes of 1971, and  
7 that has entered into an agreement with the board of supervisors  
8 and the county setting forth the terms and conditions of the  
9 association's inclusion in the county's retirement system.

10 (k) "District" also includes any special commission established  
11 in the Counties of Tulare and San Joaquin as described by Section  
12 14087.31 of the Welfare and Institutions Code, pursuant to a  
13 contract between the special commission and the county setting  
14 forth the terms and conditions of the special commission's  
15 inclusion in the county's retirement system with the approval of  
16 the board of supervisors and the board of retirement.

17 (l) (1) "District" also includes the retirement system established  
18 under this chapter in Orange County.

19 (2) "District" also includes the retirement system established  
20 under this chapter in San Bernardino County at such time as the  
21 board of retirement, by resolution, makes this section applicable  
22 in that county.

23 (3) "District" also includes the retirement system established  
24 under this chapter in Contra Costa County.

25 (4) *"District" also includes the retirement system established*  
26 *under this chapter in Ventura County.*

27 (m) "District" also includes the Kern County Hospital Authority,  
28 a public agency that is a local unit of government established  
29 pursuant to Chapter 5.5 (commencing with Section 101852) of  
30 Part 4 of Division 101 of the Health and Safety Code.

31 SEC. 2. Section 31522.5 of the Government Code is amended  
32 to read:

33 31522.5. (a) In a county in which the board of retirement has  
34 appointed personnel pursuant to Section 31522.1, the board of  
35 retirement may appoint an administrator, an assistant administrator,  
36 a chief investment officer, senior management employees next in  
37 line of authority to the chief investment officer, subordinate  
38 administrators, senior management employees next in line of  
39 authority to subordinate administrators, and legal counsel.

1 (b) Notwithstanding any other provision of law, the personnel  
2 appointed pursuant to this section may not be county employees  
3 but shall be employees of the retirement system, subject to terms  
4 and conditions of employment established by the board of  
5 retirement. Except as specifically provided in this subdivision, all  
6 other personnel shall be county employees for purposes of the  
7 county’s employee relations resolution, or equivalent local rules,  
8 and the terms and conditions of employment established by the  
9 board of supervisors for county employees, including those set  
10 forth in a memorandum of understanding.

11 (c) Except as otherwise provided by Sections 31529.9 and  
12 31596.1, the compensation of personnel appointed pursuant to this  
13 section shall be an expense of administration of the retirement  
14 system, pursuant to Section 31580.2.

15 (d) The board of retirement and board of supervisors may enter  
16 into any agreements as may be necessary and appropriate to carry  
17 out the provisions of this section.

18 (e) Section 31522.2 is not applicable to any retirement system  
19 that elects to appoint personnel pursuant to this section.

20 (f) This section shall apply only in Orange County.

21 (g) This section shall apply to the retirement system established  
22 under this chapter in San Bernardino County ~~at such time as if~~ the  
23 board of retirement, by resolution, makes this section applicable  
24 in that county.

25 (h) *This section shall apply to the retirement system established*  
26 *under this chapter in Ventura County if the board of retirement,*  
27 *by resolution, makes this section applicable in that county.*