



MEMORANDUM

DATE February 6, 2020 **PHONE** (909) 885-7980
FROM **BARBARA M. A. HANNAH** **FAX** (909) 885-7446
Chief Counsel **EMAIL** bhannah@sbcera.org
TO **BOARD OF TRUSTEES**
San Bernardino County Employees'
Retirement Association

SUBJECT REVIEW CALIFORNIA LEGISLATION 2019 - 2020

Updated information reflected in red. This is the second year of the 2019-2020 Legislative Term and there were bills introduced in 2019 that are still active. January 31, 2020 is the last day for each house to pass bills introduced in that house in the odd numbered year.

I. County Employees' Retirement

AB 287 -- Annual audits. (Voepel)

Active Bill – April 24, 2020 last day for policy committees to hear and report on fiscal committee's fiscal bills introduced in their house.

Subject: Amends Government Code section 7512

Status: Referred to Com. on P.E. & R on February 7, 2019

Existing law creates state and local public pension and retirement systems that provide pension benefits based on age at retirement, service credit, and final compensation. Existing law requires each state and local public pension or retirement system, on and after the 90th day following the completion of the annual audit of the system, to provide a concise annual report on the investments and earnings of the system, as specified, to any member who makes a request and pays a fee, if required, for the costs incurred in preparation and dissemination of that report.

This bill would also require each state and local pension or retirement system to post a concise annual audit of the information described above on that system's internet website no later than the 90th day following the audit's completion. By imposing new duties on local retirement systems, the bill would impose a state-mandated local program.

///

///

Exhibit A: Page 2

Board of Trustees
Re: Review California Legislation 2019-2020
February 6, 2020
Page 2

AB 472-- Returning Retiree (Voepel)

Active Bill – Pending Referral – May 1, 2020 – Last day for policy committees to hear and report to the Floor non-fiscal bills introduced in their house.

Subject: Amends Government Code Section 7522.56

Status: Introduced February 11, 2019

Existing law, the California Public Employees' Pension Reform Act of 2013, establishes various limits on retirement benefits generally applicable to a public employee retirement system, as defined. The act prescribes, among other things, limits on service after retirement without reinstatement into the applicable retirement system.

This bill would make nonsubstantive changes to that provision.

AB 664 – Permanent Incapacity

Active Bill – In Committee Process – May 1, 2020 – Last day for policy committees to hear and report to the Floor non-fiscal bills introduced in their house.

Subject: Add Section 31720.2 of the Government Code relating to county employees' retirement.

Status: June 26, 2019 – In committee: Set, first hearing. Hearing canceled at the request of author.

The County Employees Retirement Law of 1937 provides that a member who is permanently incapacitated shall be retired for disability despite age if, among other conditions, the member's incapacity is a result of injury or disease arising out of and in the course of the member's employment, and that employment contributes substantially to that incapacity or the member has completed 5 years of service and not waived retirement in respect to the particular incapacity or aggravation thereof, as specified.

This bill would require, for purposes of determining permanent incapacity of certain members employed as peace officers in the County of Sacramento, that those members be evaluated by the retirement system to determine if they can perform all of the usual and customary duties of a peace officer, as specified. The bill would apply to members who file applications for disability on or after the effective date of the act, except for cases on appeal at that time. The bill would require the board of retirement to develop a method of tracking the costs of providing permanent disability retirement to the members who become eligible for disability retirement pursuant to the bill's provisions. The bill would repeal these provisions on December 31, 2024.

Exhibit A: Page 3

Board of Trustees
Re: Review California Legislation 2019-2020
February 6, 2020
Page 3

SB 783 – County Employees’ Retirement Law - Clean Up

Active Bill – In Committee Process – May 1, 2020 – Last day for policy committees to hear and report to the Floor non-fiscal bills introduced in their house.

Subject: Amends Government Code Sections 31465, 31627.1, 31627.2 and 31631.5

Status: Referred to Com. on L., P.E. & R (05/16/2019)

The County Employees Retirement Law of 1937 (CERL) authorizes counties to establish retirement systems pursuant to its provisions for the purpose of providing pension and death benefits to county and district employees. This bill would correct several erroneous and obsolete cross-references within CERL.

II. Local Government (including Brown Act & Public Records Act)

AB 322 – Political Reform Act of 1974: online filing and disclosure system. (Gallagher)

Active Bill – In Floor Process – April 24, 2020 last day for policy committees to hear and report on fiscal committee’s fiscal bills introduced in their house.

Subject: Adds Government Code 84616

Status: *Assembly Third reading on October 29, 2020.*

The Political Reform Act of 1974 requires the filing of specified statements, reports and other documents. Under the act, a local government agency may require these filings to be made online or electronically with the local filing officer, as specified. The act requires the local filing officer to make all data so filed available on the internet in an easily understood format that provides the greatest public access.

This bill would require a local government agency to post on its internet website a copy of any specified statement, report, or other document filed with that agency in paper format. This bill would require that the statement, report, or other document be made available for four years from the date of the election associated with the filing. By imposing a new duty on local government agencies, this bill would impose a state-mandated local program.

///

///

///

Exhibit A: Page 4

Board of Trustees

Re: Review California Legislation 2019-2020

February 6, 2020

Page 4

AB 510 - Destruction of Records

Active Bill – In Committee Process – May 1, 2020 – Last day for policy committees to hear and report to the Floor non-fiscal bills introduced in their house.

Subject: Amends Government Code sections 26202, 34090.6, and 53160

Status: Referred to Com. on L. Gov. on February 21, 2019

Existing law authorizes the head of a department of a county or city, or the head of a special district to destroy recordings of routine video monitoring maintained by that county, city, or special district after one year if that person receives approval from the legislative body and the written consent of the agency attorney. Existing law authorizes the head of a department of a county or city, or the head of a special district to destroy recordings of telephone and radio communications maintained by that county, city, or special district after 100 days if that person receives approval from the legislative body and the written consent of the agency attorney.

This bill would exempt the head of a department of a county or city, or the head of a special district from these recording retention requirements if the county, city, or special district adopts a records retention policy governing recordings of routine video monitoring and recordings of telephone and radio communications.

AB 992 - Open Meetings: Local Agencies: Social Media (Mullin)

Active Bill – In Floor Process – May 1, 2020 – Last day for policy committees to hear and report to the Floor non-fiscal bills introduced in their house.

Subject: Amends Government Code section 54952.2

Status: **Read second time. Ordered to third reading on January 16, 2020.**

The Ralph M. Brown Act generally requires that the meetings of legislative bodies of local agencies be conducted openly. That act defines “meeting” for purposes of the act and prohibits a majority of the members of a legislative body, outside a meeting authorized by the act, from using a series of communications of any kind to discuss, deliberate, or take action on any item of business that is within the subject matter jurisdiction of the legislative body.

This bill would provide that the prohibition described above does not apply to the participation, as defined, in an internet-based social media platform, as defined, that are ephemeral, live, or static, by a majority of the members of a legislative body, provided that a majority of the members do not discuss among themselves, as defined, business of a specific nature that is within the subject matter jurisdiction of the legislative body of the local agency.

Exhibit A: Page 5

Board of Trustees

Re: Review California Legislation 2019-2020

February 6, 2020

Page 5

Existing constitutional provisions require that a statute that limits the right of access to the meetings of public bodies or the writings of public officials and agencies be adopted with findings demonstrating the interest protected by the limitation and the need for protecting that interest. This bill would make legislative findings to that effect.

AB 1457 – Creation of an Omnitrans Transit District

Active Bill – In Committee Process – April 24, 2020 last day for policy committees to hear and report on fiscal committee's fiscal bills introduced in their house.

Subject: Adds Division 10 of the Public Utilities Code, relating to transportation.

Status: June 25, 2019 – From committee: Do pass and re-refer to Com. on GOV. & F. (Ayes 11. Noes 0.) (June 25). Re-referred to Com. on GOV. & F.

Existing law creates various transit districts throughout the state, with specified powers and duties relative to providing public transit services. This bill would create the Omnitrans Transit District in the County of San Bernardino. The bill would provide that the jurisdiction of the district would initially include the Cities of Chino, Chino Hills, Colton, Fontana, Grand Terrace, Highland, Loma Linda, Montclair, Ontario, Rancho Cucamonga, Redlands, Rialto, San Bernardino, Upland, and Yucaipa, and specified portions of the unincorporated areas of the County of San Bernardino. The bill would authorize other cities in the County of San Bernardino to subsequently join the district.

The bill would require the district to succeed to the rights and obligations of the existing Omnitrans Joint Powers Authority and would dissolve that authority. The bill would require the transfer of assets from the authority to the district. The bill would provide for a governing board composed of representatives of governing bodies within the county and would specify voting procedures for the taking of certain actions by the board. The bill would specify the powers and duties of the board and the district to operate transit services, and would authorize the district to seek voter approval of retail transactions and use tax measures and to issue revenue bonds. The bill would enact other related provisions. By imposing requirements on the district and affected local agencies, the bill would impose a state-mandated local program.

///

///

///

///

Exhibit A: Page 6

Board of Trustees

Re: Review California Legislation 2019-2020

February 6, 2020

Page 6

SB 430 – Public Employees’ Retirement Benefits: Judges (Wieckowski)

Active Bill – In Committee Process – April 24, 2020 last day for policy committees to hear and report on fiscal committee’s fiscal bills introduced in their house.

Subject: Amends Government Code section 7522.04 and to add Section 7522.06

Status: June 26, 2019 – set for first hearing canceled at the request of author.

The California Public Employees’ Pension Reform Act of 2013 (PEPRA) generally requires a public retirement system, as defined, to modify its pension plan or plans to comply with the act, as specified. Among other things, PEPRA prohibits a public employer offering a defined benefit pension plan from exceeding specified retirement formulas for new members and prohibits an enhancement of a public employee’s retirement formula or benefit adopted after January 1, 2013, from applying to service performed prior to the operative date of the enhancement. PEPRA defines terms for those purposes, including defining “new member” to mean among other things, an individual who becomes a member of any public retirement system for the first time on or after January 1, 2013, and who was not a member of any other public retirement system prior to that date. Existing law creates the Judges’ Retirement System II, which is administered by the Board of Administration of the Public Employees’ Retirement System, for the provision of retirement and other benefits to specified judges and their beneficiaries.

This bill would grant a judge who was elected to office in 2012, but did not take office until on or after January 1, 2013, the option of making a one-time, irrevocable election to have a pre-January 1, 2013, membership status in the Judges’ Retirement System II for service accrued after on and after July 1, 2020. The bill would require the election to be made during a 30-day period beginning March 1, 2020. A judge making this election would no longer be a new member under specified provisions of PEPRA. The election would apply prospectively only, and membership rights and obligations that accrued based on service subject to PEPRA prior to July 1, 2020, would remain unchanged. The bill would specify that the Public Employees’ Retirement System is not obligated to inform or locate a person who may be eligible to make the election and that its provisions do not affect the Legislature’s reserved right to increase contributions or reduce benefits for purposes of the Judges’ Retirement System II.

///

///

///

Exhibit A: Page 7

Board of Trustees

Re: Review California Legislation 2019-2020

February 6, 2020

Page 7

SB 615 – Public Records: Disclosure (Hueso)

Active Bill – In Committee Process - April 24, 2020 last day for policy committees to hear and report on fiscal committee's fiscal bills introduced in their house.

Subject: Amends Government Code sections 6258 and 6259

Status: Referred to Com. on JUD on March 14, 2019.

The California Public Records Act requires a public agency, defined to mean a state or local agency, to make its public records available for public inspection and to make copies available upon request and payment of a fee, unless the public records are exempt from disclosure. The act makes specified records exempt from disclosure and provides that disclosure by a state or local agency of a public record that is otherwise exempt constitutes a waiver of the exemptions.

Existing law permits any person to institute proceedings for injunctive or declarative relief or a writ of mandate in any court of competent jurisdiction to enforce their right to inspect or to receive a copy of any public record or class of public records covered by the act. The act, when it appears to a superior court that certain public records are being improperly withheld from a member of the public, requires the court to order the officer or person charged with withholding the records to disclose the public record or show cause why they should not do so. The act requires the court to award court costs and reasonable attorney's fees to the requester if the requester prevails in litigation filed pursuant to these provisions, and requires the court to award court costs and reasonable attorney's fees to the public agency if the court finds that the requestor's case is clearly frivolous.

This bill would require a person to meet and confer in good faith with the agency in an attempt to informally resolve each issue before instituting any proceeding for injunctive or declarative relief or writ of mandate. The bill would require the person or their attorney to file a declaration stating that this has occurred at the time that proceedings are instituted. Because the declaration would be made under penalty of perjury, the bill would expand the definition of a crime and impose a state-mandated local program.

The bill would define "improperly withheld" for purposes of the act to mean a refusal by a public agency or public official to disclose a public record or some part thereof. The bill would require that in order for a requester to prevail in litigation related to the act, the trial court must find by a preponderance of the evidence that an agency knowingly, willfully, and without substantial justification failed to respond to a request for records, improperly withheld from a member of the public records that were clearly subject to public disclosure, unreasonably delayed providing the contents of a record subject to disclosure in part or in whole, improperly assessed a fee upon a requester that exceeded the direct cost of duplication, or otherwise did not act in good faith to comply with these provisions. The bill would make other nonsubstantive changes.

Exhibit A: Page 8

Board of Trustees

Re: Review California Legislation 2019-2020

February 6, 2020

Page 8

The California Constitution requires local agencies, for the purpose of ensuring public access to the meetings of public bodies and the writings of public officials and agencies, to comply with a statutory enactment that amends or enacts laws relating to public records or open meetings and contains findings demonstrating that the enactment furthers the constitutional requirements relating to this purpose.

SB 749 – Public Records – Trade Secrets

Subject: Adds Government Code section 6254.34

Status: **Assembly Inactive File on January 27, 2020.**

The California Public Records Act requires state and local agencies to make their records available for public inspection, unless an exemption from disclosure applies. Existing law provides that nothing in the act requires the disclosure of corporate proprietary information including trade secrets, among other things.

This bill would provide that specified records of a private industry employer that are prepared, owned, used, or retained by a public agency are not trade secrets and are public records, including certain records relating to employment terms and conditions of employees working for a private industry employer pursuant to a contract with a public agency, records of compliance with local, state, or federal domestic content requirements, and records of a private industry employer's compliance with job creation, job quality, or job retention obligations contained in a contract or agreement with a state or local agency.

Under existing law, a person may seek injunctive or declaratory relief or a writ of mandate to enforce their right to inspect or receive a copy of a public record, as specified. Under existing case law, an agency's decision to release a public record pursuant to the California Public Records Act is reviewable by a petition for a writ of mandate on the basis that the public record was confidential, which is known as a reverse public records act.

This bill would require the requester, as defined, to be named as a real party in interest in a reverse public records action, and would require a court to allow the requester to participate fully on the merits of the reverse public records action. The bill would require the person who initiated the reverse public records action to pay the requester's court costs and reasonable attorney's fees if the court denies the petition seeking to prevent the public agency from disclosing the record at issue. The bill would require a public agency to pay court costs and reasonable attorney's fees to the requester under specified circumstances.

///

Exhibit A: Page 9

Board of Trustees
Re: Review California Legislation 2019-2020
February 6, 2020
Page 9

AB 1332 - Sanctuary State Contracting and Investment Act.

Active Bill – In Committee Process - April 24, 2020 last day for policy committees to hear and report on fiscal committee's fiscal bills introduced in their house.

Subject: Adds Chapter 17.23 (commencing with section 7283.50) to Division 7 of Title 1 of the Government Code relating to local government.

Status: Referred to Com. on APPR, held under submission on May 16, 2019

The bill, the Sanctuary State Contracting Act, would, among other things, require the Department of Justice, commencing on January 1, 2020, and quarterly thereafter, to publish a list on its internet website, based upon specified criteria, of each person or entity that, in the opinion of the Department of Justice, is providing data broker, extreme vetting, or detention facilities support to any federal immigration agency, as specified.

The bill would prohibit a state or local agency from entering into a new, amended, or extended contract or agreement with any person or entity that appears on the list published by the Department of Justice unless the state or local agency has made a finding that no reasonable alternative exists, as specified. The bill would exempt certain contracts or agreements from these provisions related to the administration of retirement benefits and investment of moneys for retirement benefits, as specified. The bill would authorize the Department of Justice to initiate, and require the department to receive and investigate, all complaints regarding violations of these provisions, and would require the department to issue findings regarding any alleged violation and notify any affected state or local agency. By increasing the duties of local officials, this bill would impose a state-mandated local program. Additionally, this bill would make a violation of these provisions subject to civil and criminal penalties, thereby imposing a state-mandated local program.

AB 1055 – Publicly funded technology projects. (Levine)

Active Bill – In Committee Process - April 24, 2020 last day for policy committees to hear and report on fiscal committee's fiscal bills introduced in their house.

Subject: Add Chapter 13 to Division 5 of Title 1 of the Government Code commencing with Section 4571

Status: Re-referred to Com. on RLS pursuant to Assembly Rule 96(a) on April 25, 2019

Existing law imposes various requirements governing public works and public purchases, including, among other things, protection of infrastructure, preferences, emergency conservation, access to buildings, and contract requirements. The Ralph M.

Exhibit A: Page 10

Board of Trustees

Re: Review California Legislation 2019-2020

February 6, 2020

Page 10

Brown Act requires that all meetings of the legislative body, as defined, of a local agency be open and public and all persons be permitted to attend unless a closed session is authorized. The Bagley-Keene Open Meeting Act requires, with specified exceptions, that all meetings of a state body be open and public and all persons be permitted to attend.

This bill would require a public agency undertaking a publicly funded major technology project that is estimated to cost \$100,000,000 or more to form an oversight committee subject to the Ralph M. Brown Act or the Bagley-Keene Open Meeting Act, as applicable, and to develop and use risk management plans throughout the course of the project. The bill would require the oversight committee to be composed of specified members selected by the public agency undertaking the project. The bill would require the oversight committee to act as the authority for critical decisions regarding the project and to have sufficient staff to support decision making. By imposing new duties on local public agencies, the bill would create a state-mandated local program.

AB 315 –Local government: lobbying associations: expenditure of public funds. (Cristina Garcia)

Active Bill – In Committee Process – May 1, 2020 – Last day for policy committees to hear and report to the Floor non-fiscal bills introduced in their house.

Subject: Amend Sections 50024 and 53060.5 of the Government Code

Status: **In committee: Set, first hearing. Hearing canceled at the request of author on January 9, 2020**

Existing law authorizes the legislative body of a local agency, defined as a county, city, or city and county, or a district, defined broadly to include other political subdivisions or public corporations in the state other than the state or a county, city and county, or city, to attend the Legislature and the Congress of the United States, and any committees thereof, and to present information regarding legislation that the legislative body or the district deems to be beneficial or detrimental to the local agency or the district. Existing law also authorizes the legislative body of a local agency or a district to enter into an association for these purposes and specifies that the cost and expense incident to the legislative body's or district's membership in the association and the activities of the association are proper charges against the local agencies or districts comprising the association.

This bill, with respect to moneys paid to or otherwise received by an association from a local agency or district member of the association, would prohibit an association of local agencies or districts from expending those moneys for any purpose other than the above-described activities and educational activities. The bill would require the association to publicly disclose the amount of those moneys expended on the above-described activities of the association. The bill would prohibit an association from

Exhibit A: Page 11

Board of Trustees

Re: Review California Legislation 2019-2020

February 6, 2020

Page 11

incurring any travel-related expenses except as may be necessary for the association to hold an annual conference or other gathering of its members or to hold or send its members to attend educational activities, as defined.

III. Other Bills of Interest – Not Related to SBCERA

CalPERS and CalSTRS are the largest pension funds located in the State of California. Currently, there are several active bills that affect both and although such bills do not affect SBCERA or any other county retirement system, the bills are of interest to gauge and understand the proposed laws in which PERS and STRS may be subject to and how such bills relate to the overall public employees retirement.

AB 979 – Asset Management: Emerging Managers

Active Bill – Pending Referral - April 24, 2020 last day for policy committees to hear and report on fiscal committees fiscal bills introduced in their house.

Subject: Adds section 22228 to the Education Code and to add Section 20136 to the Government Code, relating to public retirement systems.

Status: Amended January 6, 2020. January 23, 2020, ordered to third reading.

This bill would require the Board of Administration of the Public Employees' Retirement System and the Teachers' Retirement Board to each provide a report to the Legislature, commencing March 1, 2021, and annually thereafter, on the status of achieving appropriate objectives and initiatives, to be defined by the boards, regarding participation of emerging managers responsible for asset management within each system's portfolio of investments. The bill would require that the report be based on contracts that the system enters into on and after January 1, 2020, and be based on information from the prior fiscal year. The bill would require each report to include certain elements and would require the boards to define emerging manager for purposes of these provisions.

///

///

///

///

///

Exhibit A: Page 12

Board of Trustees

Re: Review California Legislation 2019-2020

February 6, 2020

Page 12

SB 266 – Public Employees’ Retirement System: disallowed compensation; benefit adjustments.

Active Bill –Passed- April 24, 2020 last day for policy committees to hear and report on fiscal committees fiscal bills introduced in their house.

Subject: Add Section 20164.5 to the Government Code.

Status: *Senate held at desk on January 28, 2020.*

This bill would establish new procedures under PERL for cases in which PERS determines that the benefits of a member or annuitant are, or would be, based on disallowed compensation that conflicts with PEPRA and other specified laws and thus impermissible under PERL. The bill would also apply these procedures retroactively to determinations made on or after January 1, 2017, if an appeal has been filed and the employee member, survivor, or beneficiary has not exhausted their administrative or legal remedies. At the threshold, after determining that compensation for an employee member reported by the state, school employer, or a contracting agency is disallowed, the bill would require the applicable employer to discontinue the reporting of the disallowed compensation. The bill would require that contributions made on the disallowed compensation, for active members, be credited against future contributions on behalf of the state, school employer, or contracting agency that reported the disallowed compensation and would require that the state, school employer, or contracting agency return to the member any contributions paid by the member or on the member’s behalf.

With respect to retired members, survivors, or beneficiaries whose benefits are based on disallowed final compensation, the bill would require PERS to adjust the benefit to reflect the exclusion of the disallowed compensation, and provide that contributions made on the disallowed compensation be credited against future contributions on behalf of the employer entity that reported the disallowed compensation. Additionally, if specified conditions are met, the bill would require the employing entity to refund overpayment costs to the system and to pay retired members, survivors, and beneficiaries whose benefits have been reduced an annuity, or a lump sum, as prescribed, that reflects the difference between the monthly allowance that was based on the disallowed compensation and the adjusted monthly allowance calculated without the disallowed compensation, as provided. The bill would require the system to provide certain notices in this regard. This bill would require the system to provide confidential contact information of retired members, and their survivors and beneficiaries, who are affected by these provisions to the relevant employing entities, the confidentiality of which the entities would be required to maintain.

///

///

Exhibit A: Page 13

Board of Trustees

Re: Review California Legislation 2019-2020

February 6, 2020

Page 13

SB 341 - Public Employment and Retirement

Active Bill – In Floor Process – April 24, 2020 last day for policy committees to hear and report on fiscal committee's fiscal bills introduced in their house.

Subject: Amends Educ. Code 22324, Government Code sections 7507.5, 20229, 10014, 100032.

Status: March 27, 2019 - March 27 set for first hearing. Failed passage in committee. (Ayes 1. Noes 3. Page 466.) Reconsideration granted.

Existing law requires the Board of Administration of the Public Employees' Retirement System and the Teachers' Retirement Board to provide annual reports to the Legislature and the Governor with regard to investment returns on assets of the Public Employees' Retirement System and the State Teachers' Retirement System, respectively. As part of these reports, the boards are required to calculate and report on the rate of return on investments based on different assumptions.

This bill would require the Board of Administration of the Public Employees' Retirement System to report a calculation of liabilities based on a discount rate equal to the yield on a 10-year United States Treasury note in the year prior to the report. The bill would require the Teachers' Retirement Board to provide a description of the discount rate the board uses for reporting liabilities, a calculation of liabilities based on a discount rate that is 2% below the long-term rate of return assumed by the board, and a calculation of liabilities based on a discount rate equal to the yield on a 10-year United States Treasury note in the year prior to the report.

Existing law creates the Defined Benefit Program of the State Teachers' Retirement System for the purpose of providing pension benefits to members of the system. The Defined Benefit Program is funded by employer and employee contributions as well as investment returns and state appropriations.

This bill would appropriate \$1,000,000,000 from the General Fund for transfer to the Teachers' Retirement Fund to reduce the unfunded liability of the Defined Benefit Program of the State Teachers' Retirement System. The bill would also appropriate another \$1,000,000,000 to the Teachers' Retirement Fund if the Legislative Analyst determines in the May Revision of the 2019–20 Budget that the state has collected more than \$1,000,000,000 in unanticipated General Fund revenue. The bill would require the Governor to form a working group of specified parties to propose long-term funding solutions for the unfunded liability of the Defined Benefit Program of the State Teachers' Retirement System and to report those solutions to the Legislature by January 1, 2020. The bill would make a statement of legislative findings and declarations.

Board of Trustees
Re: Review California Legislation 2019-2020
February 6, 2020
Page 14

IV. New Laws Effective January 1, 2020.

A. CALIFORNIA

AB 1819 – Public Records – Inspection of Public Records (Stone)

Subject: Amends Government Code section 6253

Status: Chaptered by Secretary of State –October 9, 2019

Government Code section 6253 grants the requester the right to use the requester's equipment, without being charged any fees or costs, to photograph or otherwise copy or reproduce any record upon inspection and on the premises of the agency, unless the means of copy or reproduction would damage the record, or unauthorized access to a computer system of the agency or secured network, as specified. In addition, an agency may impose any reasonable limits on the use of the requester's equipment that are necessary to protect the safety of the records or to prevent the copying of records from being an unreasonable burden to the orderly function of the agency and its employees.

B. FEDERAL

Setting Every Community Up for Retirement (SECURE) Act

On December 20, 2019, the President signed the SECURE Act into law. The Act aims to improve retirement security through expanded workplace coverage and protection by ushering in the most sweeping changes to retirement plans in decades. While most of the provisions of the Act impact defined contribution plans, only two provisions affect defined benefit pension plans like SBCERA.

a. Raising of the age for Required Minimum Distributions (RMD).

SBCERA is subject to the Required Minimum Distribution rules (RMDs) as outlined in the Internal Revenue Code section 401 (a)(9). Under the RMD rules, SBCERA is required to begin distribution no later than April 1st of the plan year following the later of the plan year in which the deferred member attains age 70 ½ or retires. The SECURE Act changes the applicable age to 72 for deferred members who attain age 70 ½ after December 30, 2019. An amendment to the County Employees' Retirement Law is not required to comply with this provision of the SECURE Act. However, SBCERA Benefits Policy No. 031 - Tax Compliance, regarding RMD rules located in Section V of the policy will likely have to be amended to comply with this provision of the SECURE Act and such amendments are required to be made no later than June 30, 2025.

Board of Trustees

Re: Review California Legislation 2019-2020

February 6, 2020

Page 15

b. Penalty for filing an untimely Form 945 (Annual Return of Withheld Federal Income Tax).

IRS Form 945, Annual Return of Withheld Federal Income Tax is used to report income taxes withheld on distributions made from a retirement system. The SECURE Act increases the minimum penalty imposed by Internal Revenue Code section 6651 if the Form 945 is not filed within 60 days of its due date. However, upon the showing of reasonable cause for the failure to timely file a Form 945, the penalty may be waived. This provision applies to Forms with a due date after December 31, 2019.