San Bernardino County Employees' Retirement Association

MEMORANDUM

DATE July 2, 2020

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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.

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2020 Legislative Calendar

June 2020

June 5	Last day for policy committees to hear and report to the floor non-fiscal bills introduced in their house. Last day for policy committees to meet prior to June 8.
June 19	Last day for fiscal committees to hear and report to the floor bills introduced in their house. Last day for fiscal committees to meet prior to June 29.
June 22-26	Floor Session Only. No committees, other than conference or Rules committees, may meet for any purpose.
June 25	Last day for a legislative measure to qualify for the November 3 General Election ballot (Election code Sec. 9040).

July 2020

July 2	Summer Recess begins upon adjournment provided Budget Bill has been passed.
July 13	Legislature reconvenes from Summer Recess.
July 31	Last day for policy committees to hear and report fiscal bills to fiscal committees.

Important Dates Occurring During Final Recess

Sept. 30	Last day for Governor to sign or veto bills passed by the Legislature before Sept. 1 and in the Governor's possession on or after Sept. 1
Nov. 3	General Election
Nov. 30	Adjournment Sine Die at midnight
Dec. 7	12 m. convening of 2021-22 Regular Session

Updated information reflected in red. This is the second year of the 2019-2020 Legislative Term.

I. County Employees' Retirement

AB 664 – Workers' Compensation injury: Communicable Disease

Subject: An act to amend Section 4663 of, and to add Section 3212.18 to, the Labor Code, relating to workers' compensation, and declaring the urgency thereof, to take effect immediately.

Status: May 18, 2020 - From committee chair, with author's amendments. Read second time, amended and re-referred to Com. on L. P.E.&R.

Existing law establishes a workers' compensation system, administered by the Administrative Director of the Division of Workers' Compensation, to compensate an employee for injuries sustained in the course of employment. Existing law creates a disputable presumption that specified injuries sustained in the course of employment of a specified member of law enforcement or a specified first responder arose out of and in the course of employment.

Existing law also makes an employer liable only for the percentage of permanent disability directly caused by the injury arising out of and occurring in the course of employment. Existing law requires apportionment of permanent disability to be based on causation, and requires a physician's report addressing the issue of permanent disability to include an apportionment determination in order for the report to be considered complete on that issue. Existing law exempts certain injuries, including the above-described injuries, from the provisions requiring apportionment.

This bill would define "injury," for certain state and local firefighting personnel, peace officers, certain hospital employees, and certain fire and rescue services coordinators who work for the Office of Emergency Services to include being exposed to or contracting, on or after January 1, 2020, a communicable disease, including coronavirus disease 2019 (COVID-19), that is the subject of a state or local declaration of a state of emergency that is issued on or after January 1, 2020. The bill would create a conclusive presumption, as specified, that the injury arose out of and in the course of the employment. The bill would apply to injuries that occurred prior to the declaration of the state of emergency. The bill would also exempt these provisions from the apportionment requirements.

This bill would declare that it is to take effect immediately as an urgency statute.

AB 2937 – Non-Service Connected Disability Retirement

Subject: Amends Government Code section 31726, 31726.5, and 31838

Status: Referred to Com. on P.E.&R – March 5, 2020

The County Employees Retirement Law of 1937 (CERL) authorizes counties to establish retirement systems pursuant to its provisions for the purpose of providing pension, disability, and death benefits to county and district employees. CERL prescribes the methods for calculating a non-service-connected disability retirement for different membership classifications and for the purpose of calculating reciprocal benefits. In these instances, the sum of allowance may vary depending on whether or not the retirement board finds, in its opinion, the member's disability is due to intemperate use of alcoholic liquor or drugs, among other things. In this regard, CERL conditions the purchase of a disability retirement pension by county or district contributions on a finding by the board that the member's disability is not the result of intemperate use of alcoholic liquor or drugs.

This bill would create an optional provision, to be elected by a county board of supervisors by resolution adopted by majority vote that would remove the retirement board's assessment regarding the intemperate use of alcoholic liquor or drugs as a condition on the purchase of a disability retirement pension by county or district contributions.

AB 2967 – County Employees' Retirement

Subject: Amends Government Code sections 31470.4, 31470.5, and 31887.

Status: Introduced February 21, 2020. Read for First Time February 24, 2020

The County Employees Retirement Law of 1937 authorizes counties to establish retirement systems pursuant to its provisions for the purpose of providing pension and death benefits to county and district employees, including firefighters. The County Peace Officers' Retirement Law and the County Peace Officer and Fire Service Retirement Plan Law, the County Fire Service Retirement Law, also provide retirement system structure options that a county may choose to adopt for purposes of providing benefits to specified peace officers and firefighters.

This bill would make nonsubstantive changes to those provisions. Replaces the word "firemen" with "firefighter;" "foremen" with "foreperson;" and "policeman" with "police officer."

AB 3249 -- Controller: Annual Report (Fong)

Subject: Amends Government Code section 7504

Status: Referred to P.E.&R. on March 9, 2020

Existing law requires state and local public retirement systems to submit audited financial statements to the Controller at the earliest practicable opportunity within 6 months of the close of each fiscal year, and requires the Controller, within 12 months of receipt of the information, to compile and publish a report on the financial condition of all state and local public retirement systems.

This bill would additionally require the Controller to post the report on the financial condition of all state and local public retirement systems on the Controller's internet website.

SB 430 – Public Employees' Retirement Benefits: Judges

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.

SB 783 – County Employees' Retirement Law - Clean Up

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. Public Employment

AB 2307 – Public Employment: Labor Relations: Release Time

Subject: Amends Government Code sections 3543.1; Adds Government Code section 3558.7; Repeals Government sections 3505.3, 3518.5, 3524.69, 3569, 71635, and 71821 relating to public employment.

Status: March 16, 2020 – Hearing postponed by committee.

Existing law, including the Meyers-Milias-Brown Act, the Ralph C. Dills Act, the Trial Court Employment Protection and Governance Act, the Trial Court Interpreter Employment and Labor Relations Act, Judicial Council Employer-Employee Relations Act, and the Los Angeles County Metropolitan Transportation Authority Transit Employer-Employee Relations Act, as well as provisions commonly referred to as the Educational Employment Relations Act and the Higher Education Employer-Employee Relations Act, regulates the labor relations of the state, the courts, and specified local public agencies and their employees. Existing law establishes other requirements relating to labor

relations that are applicable to specified transit agencies. These acts grant specified public employees the right to form, join, and participate in the activities of employee organizations of their choosing and require public agency employers, among other things, to meet and confer with representatives of recognized employee organizations and exclusive representatives on terms and conditions of employment. These acts generally require the public entities in this context to grant employee representatives of recognized employee organizations reasonable time off without loss of compensation or benefits for certain purposes in connection with labor relations, commonly referred to as release time.

This bill would prescribe requirements relating to release time that would apply to all of the public employers and employees subject to the acts described above and would generally repeal the provisions relating to release time in those acts. The bill would require these public employers to grant a reasonable number of employee representatives of the exclusive representative reasonable time off without loss of compensation or other benefits for specified activities. This requirement would apply to activities to investigate and process grievances or otherwise enforce a collective bargaining agreement or memorandum of understanding; to meet and confer or meet and negotiate with the public employer on matters within the scope of representation, including preparation for the activities specified in these provisions; to testify or appear as the designated representative of the exclusive representative in conferences, hearings, or other proceedings before the Public Employment Relations Board or similar bodies, as specified; to testify or appear as the designated representative of the exclusive representative before the governing body of the public employer, or a personnel, civil service, or merit commission, among others; and to serve as a representative of the exclusive representative for new employee orientations. The bill would require the exclusive representative to provide reasonable notice requesting an absence in this connection. The bill would specify that its provisions prescribe minimum release time rights and would prescribe requirements regarding the relation of its provisions to other labor agreements that address release time. The bill would prohibit the Public Employment Relations Board from enforcing these provisions with regard to public transit workers that are not otherwise subject to the board’s jurisdiction.

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AB 2433 – Local Public Employee Organizations

Subject: Amends Government Code section 3505.7 relating to public employment.

Status: May 5, 2020 Re-refer to Com on APPR

The Meyers-Milias-Brown Act contains various provisions that govern collective bargaining of local represented employees, and delegates jurisdiction to the Public Employment Relations Board to resolve disputes and enforce the statutory duties and rights of local public agency employers and employees. The act requires the governing body of a public agency to meet and confer in good faith regarding wages, hours, and other terms and conditions of employment with representatives of recognized employee organizations. Under the act, if the representatives of the public agency and the employee organization fail to reach an agreement, they may mutually agree on the appointment of a mediator and equally share the cost. Existing law provides that after any applicable mediation and fact-finding procedures have been exhausted, but no earlier than 10 days after the factfinders' written findings of fact and recommended terms of settlement have been submitted to the parties, a public agency that is not required to proceed to interest arbitration may, after holding a hearing regarding the impasse, implement its last, best, and final offer.

This bill would revise the above-described timeframe to no earlier than 15 days after the factfinders' written findings of fact and recommended terms of settlement have been submitted to the parties.

SB 1159 – Workers' Compensation: COVID-19 – Critical Workers

Subject: An act to add and repeal Section 3212.86 of the Labor Code, relating to workers' compensation.

Status: June 22, 2020 – Read second time. Ordered to third reading.

Existing law establishes a workers' compensation system, administered by the Administrative Director of the Division of Workers' Compensation, to compensate an employee for injuries sustained in the course of employment. Existing law creates a disputable presumption that specified injuries sustained in the course of employment of a specified member of law enforcement or a specified first responder arose out of and in the course of the employment.

This bill would, until an unspecified date, define "injury" for a critical worker, as described, to include illness or death that results from exposure to coronavirus disease 2019

(COVID-19) under specified circumstances. The bill would create a disputable presumption, as specified, that an injury that develops or manifests itself while a critical worker is employed arose out of and in the course of the employment.

SB 1173 – Public Employment: Labor Relations: Employee Information

Subject: Amends Government Code section 3558 relating to public employment.

Status: June 18, 2020 - . Read second time. Ordered to third reading.

Existing law, including the Meyers-Milias-Brown Act, the Ralph C. Dills Act, the Trial Court Employment Protection and Governance Act, the Trial Court Interpreter Employment and Labor Relations Act, and the Los Angeles County Metropolitan Transportation Authority Transit Employer-Employee Relations Act, provisions commonly referred to as the Educational Employment Relations Act, and the Higher Education Employer-Employee Relations Act, among others, regulates the labor relations of the state, the courts, and specified local public agencies and their employees. Existing law requires these public employers to provide certain labor representatives with the names and home addresses of newly hired employees, as well as their job titles, departments, work locations, telephone numbers, and personal email addresses, within 30 days of hire or by the first pay period of the month following hire. Existing law also requires the public employers to provide this information for all employees in a bargaining unit at least every 120 days, except as specified.

This bill would generally authorize an exclusive representative to file a charge of an unfair labor practice with the Public Employment Relations Board, as specified, alleging a violation of the above-described requirements. The bill would condition this authorization on the exclusive representative giving written notice, as specified, to the public employer of the alleged violation and would provide a public employer a limited opportunity to cure certain violations. The bill would require the Public Employment Relations Board to impose a penalty, not to exceed an unspecified amount, to be determined by the board with reference to specified criteria. The bill would require that an exclusive representative who prevails in these circumstances be awarded of reasonable attorney's fees and costs.

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AB 3216 – Employee Leave: Authorization: Coronavirus (COVID-19)

Subject: *Add and repeal Section 12945.7 of the Government Code, relating to employment*

Status: June 18, 2020 – In Senate. Read first time. To Com. On RLS.

Existing law, the Moore-Brown-Roberti Family Rights Act, or California Family Rights Act (CFRA), makes it an unlawful employment practice for an employer, as defined, to refuse to grant a request by an eligible employee to take up to 12 workweeks of unpaid protected leave during any 12-month period for family care and medical leave, as specified. Existing law makes this leave available to an employee with more than 12 months of service with the employer and at least 1,250 hours of service with the employer within the last 12 months.

This bill would also make it an unlawful employment practice for an employer, as defined, to refuse to grant a request by an eligible employee to take family and medical leave due to the coronavirus (COVID-19), as specified. The bill would require a request under this provision to be made and granted in a similar manner to that provided under the CFRA. The bill would specify that an employer is not required to pay an employee for the leave taken, but would authorize an employee taking a leave to elect, or an employer to require, a substitution of the employee's accrued vacation or other time off during this period and any other paid or unpaid time off negotiated with the employer. The bill would authorize an employee, if the employee takes leave because of the employee's own diagnosis with or quarantine because of COVID-19, to elect, or the employer to require, that the employee substitute their accrued sick leave. The bill would prohibit an employee from using sick leave during a period of leave to care for a child, parent, grandparent, grandchild, sibling, spouse, or domestic partner diagnosed with or quarantined because of COVID-19. The bill would require an employer, during any period in which an eligible employee takes leave, to maintain and pay for coverage under a group health plan, as defined, and would authorize the employer to recover the premium that the employee paid under certain circumstances.

The bill would permit employees taking leave due to COVID-19 to continue participation in employee health plans, including life insurance or short-term or long-term disability or accident insurance, pension and retirement plans, and supplemental unemployment benefit plans, as prescribed. The bill would provide that during a medical leave period taken due to COVID-19 an employee would retain employee status with the employer and that this leave does not constitute a break in service.

The bill would authorize an employer to require that an employee's request for leave under these provisions to care for an employee's relative or for the employee's own care

be supported by a certification issued by a health care provider, and would specify that certification is sufficient if it includes, among other required information, the date on which the diagnosis or quarantine was given, the probable duration thereof, and an estimate of the time needed.

The bill would make it an unlawful employment practice for an employer to refuse to hire, or to discharge, fine, suspend, expel, or discriminate against, an individual because of the individual's exercise of leave right under these provisions or the individual's giving information or testimony as to family care and medical leave due to COVID-19. The bill would specify that leave granted under these provisions is separate and distinct from any leave granted under the CFRA or the federal Family and Medical Leave Act of 1993.

The bill would remain in effect until January 1, 2022.

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

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

Subject: Amends Government Code section 54952.2

Status: June 23, 2020 – Referred to Com. on GOV. & F

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.

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

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.

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AB 2093 – Public Records: Writing Transmitted by Electronic Mail: Retention

Subject: Adds Government Code Section 6253.32

Status: March 10, 2020 Re-refer to Com. on Appr.

Existing law, the California Public Records Act, requires a public agency, defined to mean any state or local agency, to make public records available for inspection, subject to certain exceptions. Existing law specifies that public records include any writing containing information relating to the conduct of the public's business, including writing transmitted by electronic mail. Existing law requires any agency that has any information that constitutes a public record not exempt from disclosure to make that public record available in accordance with certain provisions, and authorizes every agency to adopt regulations stating the procedures to be followed when making its records available, if the regulations are consistent with those provisions. Existing law authorizes cities, counties, and special districts to destroy or to dispose of duplicate records that are less than two years old when they are no longer required by the city, county, or special district, as specified.

This bill would, unless a longer retention period is required by statute or regulation, or established by the Secretary of State pursuant to the State Records Management Act, require a public agency, for purposes of the California to retain and preserve for at least 2 years every public record, as defined, that is transmitted by electronic mail.

AB 2107 - Local Government: Securitized Limited Obligation Notes.

Subject: Amends Government Code section 53839.

Status: June 23, 2020 – Referred to Com. on GOV. & F

Existing law, until December 31, 2019, authorizes a special district to issue, as specified, securitized limited obligation notes for the acquisition or improvement of land, facilities, or equipment. This bill would extend that authorization to December 31, 2024.

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AB 2138 – Public Record Act: Nonsubstantive changes.

Subject: Act to add and repeal Article 3 (commencing with Government Code section 6276.50)

Status: May 5, 2020 – Re-referred to Com. on JUD

The California Public Records Act requires state and local agencies to make their records available for public inspection, unless an exemption from disclosure applies. This bill would recodify and reorganize the provisions of the act. The bill would include provisions to govern the effect of recodification and state that the bill is intended to be entirely nonsubstantive in effect. The bill would contain related legislative findings and declarations. The bill would become operative on January 1, 2022.

AB 2151 – Political Reform Act of 1974: Online filing and disclosure system.

Subject: Adds Government Code section 84616

Status: June 23, 2020 – Referred to Com. on E. & C. A.

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, within 72 hours of the applicable filing deadline, 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.

AB 2473 – Public Investment Funds

Subject: Adds Government Code section 6254.32 relating to public records.

Status: June 23, 2020 – Referred to Coms. On P.E. &R

Existing law, 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 excludes from the disclosure requirement certain records regarding alternative investments in which public investment funds invest. This bill would exempt

from disclosure under the act specified records regarding an internally managed private loan made directly by a public investment fund, including quarterly and annual financial statements of the borrower or its constituent owners, unless the information has already been publicly released by the keeper of the information. 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.

SB 931 – Local Government meetings: agenda and documents.

Subject: Amends Government Code section 54954.1

Status: April 2, 2020 – Read second time and amended. Referred to Com. on GOV. & F.

Existing law, the Ralph M. Brown Act, requires meetings of the legislative body of a local agency to be open and public and also requires regular and special meetings of the legislative body to be held within the boundaries of the territory over which the local agency exercises jurisdiction, with specified exceptions. Existing law authorizes a person to request that a copy of an agenda, or a copy of all the documents constituting the agenda packet, of any meeting of a legislative body be mailed to that person.

This bill would require, if the local agency has an internet website, a legislative body or its designee to email a copy of, or website link to, the agenda or a copy of all the documents constituting the agenda packet if the person requests that the items be delivered by email. The bill would require, where the local agency determines it is technologically infeasible to send a copy of all documents constituting the agenda packet or a website link containing the documents by electronic mail or by other electronic means, the legislative body or its designee to send by electronic mail a copy of the agenda or a website link to the agenda and mail a copy of all other documents constituting the agenda packet in accordance with the mailing requirements. By requiring local agencies to comply with these provisions, this bill would impose a state-mandated local program.

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SB 998 – Local Government: Investments

Subject: Amends Government Code section 53601 and 53601.6

Status: June 18, 2020 – Referred to Com. on L. GOV.

Existing law regulates the investment of public funds by local agencies, as defined. Existing law authorizes the legislative body of a local agency, as specified, that has money in a sinking fund or in its treasury not required for immediate needs to invest the money as it deems wise or expedient in certain securities and financial instruments. In this regard, existing law authorizes investment in prime quality commercial paper issued by entities meeting certain criteria. Existing law prohibits local agencies, other than counties, from investing more than 25% of their moneys in eligible commercial paper and further prohibits these agencies from purchasing no more than 10% of the outstanding commercial paper of any single issuer.

This bill would establish distinctions in local agencies in connection with their investment in commercial paper, as described above. The bill would prohibit local agencies that have less than $100,000,000 of investment assets under management from investing more than 25% of their moneys in eligible commercial paper. For a local agency that has $100,000,000 or more of investment assets under management, the bill would prohibit it from investing than 40% of their moneys in eligible commercial paper. The bill would also revise the single issuer restriction to prohibit a local agency, other than a county or a city and a county, from investing more than 10% of its total investment assets in the commercial paper and the medium-term notes of any single issuer.

Existing law authorizes local agencies, as specified, to invest in medium-term notes, which are defined as corporate and depository institution debt securities with a maximum remaining maturity of 5 years or less, issued by specified corporations or by depository institutions. This bill would prohibit a local agency, other than counties, from investing more than 10% of its total investment assets in the commercial paper and the medium-term notes of any single issuer, of the type described above.

Existing law authorizes local agencies, as specified, to invest in shares of beneficial interest issued by a joint powers authority, organized for those purposes under the Joint Exercise of Powers Act, that invests in certain securities and obligations.

Existing law generally prohibits a local agency from investing any funds pursuant to specified authorizations in a security that could result in zero-interest accrual if held to maturity. This bill would create an exception to this prohibition by authorizing a local agency to invest in securities issued by, or backed by, the United States government that could result in zero- or negative-interest accrual if held to maturity, as specified.