

AMENDED IN ASSEMBLY MARCH 24, 2025

CALIFORNIA LEGISLATURE—2025–26 REGULAR SESSION

ASSEMBLY BILL

No. 1439

Introduced by Assembly Member Garcia

February 21, 2025

An act to ~~amend Section 70397 of the Government Code, relating to courts.~~ *add Section 7513.77 to the Government Code, relating to public retirement systems.*

LEGISLATIVE COUNSEL’S DIGEST

AB 1439, as amended, Garcia. ~~Judicial Council: sale of property.~~ *Public retirement systems: development projects: labor standards.*

The California Constitution grants the retirement board of a public employee retirement system plenary authority and fiduciary responsibility for investment of moneys and administration of the retirement fund and system. These provisions qualify this grant of powers by reserving to the Legislature the authority to prohibit investments if it is in the public interest and the prohibition satisfies standards of fiduciary care and loyalty required of a retirement board.

Existing law prohibits the boards of the Public Employees’ Retirement System and the State Teachers’ Retirement System from making certain new investments or renewing existing investments of public employee retirement funds, including in a thermal coal company, as defined. Existing law provides that a board is not required to take any action regarding those investments unless the board determines in good faith that the action is consistent with the board’s fiduciary responsibilities established in the California Constitution.

This bill would prohibit the board of a public pension or retirement system from making any additional or new investments of public

employee pension or retirement funds in development projects in California or providing financing for those projects with public employee pension or retirement funds unless those projects include labor standards protections, as defined. The bill would provide that a board is not required to take action pursuant to this provision unless it determines in good faith that the action is consistent with the board's fiduciary responsibilities established in the California Constitution.

~~Existing law authorizes the Judicial Council to sell specified property, at fair market value and upon terms and conditions subject to the reservations the Judicial Council deems in the best interests of the state, if specified conditions are met.~~

~~This bill would make technical, nonsubstantive changes to this provision.~~

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 7513.77 is added to the Government Code,*
- 2 *to read:*
- 3 *7513.77. (a) The Legislature finds and declares all of the*
- 4 *following:*
- 5 *(1) The development of projects in California that do not involve*
- 6 *strong labor standards protections for workers is not in the public*
- 7 *interest or the interests of the participants in and beneficiaries of*
- 8 *public pension and retirement systems.*
- 9 *(2) The purpose of this section is to prohibit the boards of public*
- 10 *pension and retirement systems, consistent with, and not in*
- 11 *violation of, their fiduciary responsibilities, from investing in*
- 12 *development projects in California that do not provide labor*
- 13 *standards protections for workers.*
- 14 *(b) As used in this section, the following definitions apply:*
- 15 *(1) "Board" means the retirement board of a public pension*
- 16 *or retirement system, as defined in subdivision (h) of Section 17*
- 17 *of Article XVI of the California Constitution.*
- 18 *(2) "Labor standards protections" means all of the following:*
- 19 *(A) Construction work performed to carry out and maintain the*
- 20 *development project will be subject to the same prevailing wage*
- 21 *and apprenticeship requirements that apply to public projects*

1 pursuant to Chapter 1 (commencing with Section 1720) of Part 7
2 of Division 2 of the Labor Code.

3 (B) (i) All construction and maintenance work for the
4 development project will be performed only by contractors and
5 subcontractors that have provided an enforceable commitment to
6 use a skilled and trained workforce, as defined in Chapter 2.9
7 (commencing with Section 2600) of Part 1 of Division 2 of the
8 Public Contract Code, to perform all work that falls within an
9 apprenticeable occupation in the building and construction trades.

10 (ii) This subparagraph shall not apply if the work is covered by
11 a project labor agreement that requires the use of a skilled and
12 trained workforce. For purposes of this subparagraph, "project
13 labor agreement" means a prehire collective bargaining agreement
14 that establishes terms and conditions of employment for a specific
15 construction project or projects and is an agreement described in
16 Section 158(f) of Title 29 of the United States Code.

17 (C) The developer has provided commitments designed to
18 provide labor peace during union organizing campaigns for
19 workers who will be employed upon completion of the project.

20 (c) The board shall not make additional or new investments of
21 public employee pension or retirement funds in development
22 projects in California or provide financing for those projects with
23 public employee pension or retirement funds unless those projects
24 include labor standards protections.

25 (d) Nothing in this section shall require a board to take action
26 as described in this section unless the board determines in good
27 faith that the action described in this section is consistent with the
28 fiduciary responsibilities of the board described in Section 17 of
29 Article XVI of the California Constitution.

30 ~~SECTION 1. Section 70397 of the Government Code is~~
31 ~~amended to read:~~

32 ~~70397. (a) Notwithstanding any other law, the Judicial Council~~
33 ~~may sell property, at fair market value and upon the terms and~~
34 ~~conditions and subject to the reservations the Judicial Council~~
35 ~~deems in the best interests of the state, if all of the following~~
36 ~~requirements are satisfied:~~

37 ~~(1) The sale complies with Section 70391, as applicable.~~

38 ~~(2) The Judicial Council consults with the County of Los~~
39 ~~Angeles regarding the sale of the property.~~

1 ~~(3) The Judicial Council offers the County of Los Angeles the~~
2 ~~right to purchase the property at fair market value before otherwise~~
3 ~~offering the property for sale.~~

4 ~~(b) Notwithstanding any other law, the net proceeds from the~~
5 ~~sale of the property shall be deposited into the State Court Facilities~~
6 ~~Construction Fund, established by Section 70371.~~

7 ~~(c) For purposes of this act, “property” means each of the~~
8 ~~following:~~

9 ~~(1) The West Los Angeles Courthouse located at 1633 Purdue~~
10 ~~Avenue, City of Los Angeles, County of Los Angeles, Assessor~~
11 ~~Parcel Numbers 4261-011-908, 4261-011-909, 4261-011-910,~~
12 ~~4261-011-913, 4261-011-914, and 4261-011-915.~~

13 ~~(2) The Mental Health Courthouse located at 1150 North San~~
14 ~~Fernando Road, City of Los Angeles, County of Los Angeles,~~
15 ~~Assessor Parcel Number 5453-002-900.~~

16 ~~(d) The disposition of the property authorized in this section~~
17 ~~does not constitute a sale or other disposition of surplus state~~
18 ~~property within the meaning of Section 9 of Article III of the~~
19 ~~California Constitution and is not subject to subdivision (g) of~~
20 ~~Section 11011.~~