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AB-465 Local public employees: memoranda of understanding. (2025-2026)

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AMENDED IN ASSEMBLY MARCH 13, 2025

CALIFORNIA LEGISLATURE— 2025–2026 REGULAR SESSION

ASSEMBLY BILL

NO. 465

Introduced by Assembly Member Zbur

February 06, 2025

An act to amend ~~Section 86201 of the Government Code, relating to the Political Reform Act of 1974.~~ [Sections 3501 and 3506.5 of](#), and to add [Section 3502.2 to](#), the Government Code, relating to public employment.

LEGISLATIVE COUNSEL'S DIGEST

AB 465, as amended, Zbur. ~~Political Reform Act of 1974: gifts.~~ [Local public employees: memoranda of understanding.](#)

Existing law, the Meyers-Milias-Brown Act (act), authorizes local public employees, as defined, to form, join, and participate in the activities of employee organizations of their own choosing for the purpose of representation on matters of labor relations and defines various terms for these purposes. The act prohibits a public agency from, among other things, refusing or failing to meet and negotiate in good faith with a recognized employee organization. Existing law states that the Legislature finds and declares that the duties and responsibilities of local agency employer representatives under the act are substantially similar to the duties and responsibilities required under existing collective bargaining enforcement procedures and therefore the costs incurred by the local agency employer representatives in performing those duties and responsibilities under that act are not reimbursable as state-mandated costs.

This bill would require, on or after January 1, 2026, a memorandum of understanding between a public agency and a recognized employee organization to include specified provisions including, among other things, a provision providing for a system of progressive discipline that grants due process to an employee when they are disciplined, upon the request of the recognized employee organization. The bill would define "progressive discipline" and "due process" for this purpose. The bill would specify that the refusal or failure to include those provisions in a memorandum of understanding upon request of the recognized employee organization constitutes refusing or failing to meet and negotiate in good faith for purposes of the above-described prohibition. By imposing new requirements on public agencies, this bill would impose a state-mandated local program.

The bill would include findings that changes proposed by this bill address a matter of statewide concern rather than a municipal affair and, therefore, apply to all cities, including charter cities.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement shall be made pursuant to these statutory provisions for costs mandated by the state pursuant to this act, but would recognize that a local agency or school district may pursue any available remedies to seek reimbursement for these costs.

~~The Political Reform Act of 1974 regulates lobbyists and lobbying firms and imposes various restrictions on public officials for the purpose of avoiding conflicts of interests. The act prohibits a lobbyist or lobbying firm from making gifts to specified individuals aggregating more than \$10 in a calendar month. The act defines "gift" for these purposes:~~

~~This bill would make a nonsubstantive change to the definition of "gift".~~

Vote: majority Appropriation: no Fiscal Committee: ~~no~~yes Local Program: ~~no~~yes

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. *Section 3501 of the Government Code is amended to read:*

3501. As used in this chapter:

(a) "Employee organization" means either of the following:

(1) Any organization that includes employees of a public agency and that has as one of its primary purposes representing those employees in their relations with that public agency.

(2) Any organization that seeks to represent employees of a public agency in their relations with that public agency.

(b) "Recognized employee organization" means an employee organization which has been formally acknowledged by the public agency as an employee organization that represents employees of the public agency.

(c) Except as otherwise provided in this subdivision, "public agency" means every governmental subdivision, every district, every public and quasi-public corporation, every public agency and public service corporation and every town, city, county, city and county and municipal corporation, whether incorporated or not and whether chartered or not. As used in this chapter, "public agency" does not mean a school district or a county board of education or a county superintendent of schools or a personnel commission in a school district having a merit system as provided in Chapter 5 (commencing with Section 45100) of Part 25 and Chapter 4 (commencing with Section 88000) of Part 51 of the Education Code or the State of California.

(d) "Public employee" means any person employed by any public agency, including employees of the fire departments and fire services of counties, cities, cities and counties, districts, and other political subdivisions of the state, excepting those persons elected by popular vote or appointed to office by the Governor of this state.

(e) "Mediation" means effort by an impartial third party to assist in reconciling a dispute regarding wages, hours and other terms and conditions of employment between representatives of the public agency and the recognized employee organization or recognized employee organizations through interpretation, suggestion and advice.

(f) "Board" means the Public Employment Relations Board established pursuant to Section 3541.

(g) "Progressive discipline" means a written preventative, corrective, or disciplinary action providing an employee with notice of departmental expectations, an opportunity to learn from prior mistakes, and correct and improve future work performance.

(h) "Due process" means a system of discipline in which employees are given notice of the factual basis of their alleged misconduct or performance deficiencies, including the penalty, effective date of the action, causes for discipline, factual allegations of misconduct, predeprivation rights, as required by the California Supreme Court in Skelly v. State Personnel Board (1975) 15 Cal.3d 194, also known as Skelly rights, the right to appeal the action, and a reasonable opportunity to respond to the allegations before the imposition of discipline.

SEC. 2. *Section 3502.2 is added to the Government Code, to read:*

3502.2. *(a) Notwithstanding any other law, a memorandum of understanding entered into on or after January 1, 2026, between a public agency and a recognized employee organization shall include, upon the request of the recognized employee organization, all of the following provisions:*

(1) A provision providing for a system of progressive discipline that grants due process to an employee when they are disciplined. "Due process," as that term is used in this subdivision, includes a just cause standard.

(2) A provision providing for a grievance procedure that culminates with compulsory final and binding arbitration of all disputes arising over the interpretation or application of the memorandum of understanding.

(3) A provision stating that an employee designated as a representative of the recognized employee organization shall have reasonable paid time off without loss of compensation or other benefits when they investigate a potential grievance and participate in the grievance process.

(b) If the parties' current memorandum of understanding does not address these provisions, and upon the request of a recognized employee organization, a public agency shall promptly participate in collective bargaining to adopt the provisions required by this section. The parties shall include the provisions required by this section as an addendum to the existing memorandum of understanding. Thereafter, the provisions required by this section shall be addressed in a single memorandum of understanding if requested by the recognized employee organization.

SEC. 3. *Section 3506.5 of the Government Code is amended to read:*

3506.5. A public agency shall not do any of the following:

(a) Impose or threaten to impose reprisals on employees, to discriminate or threaten to discriminate against employees, or otherwise to interfere with, restrain, or coerce employees because of their exercise of rights guaranteed by this chapter.

(b) Deny to employee organizations the rights guaranteed to them by this chapter.

(c) Refuse or fail to meet and negotiate in good faith with a recognized employee organization. For purposes of this subdivision, knowingly providing a recognized employee organization with inaccurate information regarding the financial resources of the public employer, whether or not in response to a request for information, *or refusing or failing to include in a memorandum of understanding the provisions required by Section 3502.2*, constitutes a refusal or failure to meet and negotiate in good faith.

(d) Dominate or interfere with the formation or administration of any employee organization, contribute financial or other support to any employee organization, or in any way encourage employees to join any organization in preference to another.

(e) Refuse to participate in good faith in an applicable impasse procedure.

SEC. 4. *The Legislature finds and declares that Sections 1 to 3, inclusive, of this act, amending Sections 3501 and 3506.5 of, and adding Section 3503.2 to, the Government Code, address a matter of statewide concern rather than a municipal affair as that term is used in Section 5 of Article XI of the California Constitution. Therefore, Sections 1 to 3, inclusive, of this act apply to all cities, including charter cities.*

SEC. 5. *No reimbursement shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code for costs mandated by the state pursuant to this act. It is recognized, however, that a local agency or school district may pursue any remedies to obtain reimbursement available to it under Part 7 (commencing with Section 17500) and any other law.*

SECTION 1. ~~Section 86201 of the Government Code is amended to read:~~

~~86201. For purposes of this article, "gift" means a gift made directly or indirectly to any state candidate, elected state officer, or legislative official, or to an agency official of any agency required to be listed on the registration statement of the lobbying firm or the lobbyist employer of the lobbyist.~~