

## **BILL ANALYSIS**

Senate Research Center

H.B. 601  
By: Thompson (Gallegos)  
Administration  
4-23-2003  
Engrossed

### **DIGEST AND PURPOSE**

The Houston Municipal Employees Pension System (HMEPS), established by Article 6243h, Texas Revised Civil Statutes Annotated, is a benefit pension plan with approximately 20,000 active and retired participants. HMEPS provides retirement, disability, and survivor benefits for eligible City of Houston and pension system employees, not including police officers or firefighters. HMEPS board, staff, active municipal members, retirees, and the City of Houston continually review programs administered by HMEPS as well as the system's enabling legislation and make recommendations resulting from this process. H.B. 601 revises the composition of the board of trustees and revises the powers and duties of the system and programs under the HMEPS.

### **RULEMAKING AUTHORITY**

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Sections 2(c) and (j), Article 6243h, V.T.C.S., as follows:

(c) Provides that the pension board for the retirement systems of certain municipalities consists of nine, rather than 11, trustees and lists certain individuals.

(j) Requires the public member of the pension board (appointed trustee) to be appointed by a vote of a majority of the elected trustees of the board. Provides that the appointed trustee serves a two-year term. Requires the appointment or reappointment of the appointed trustee to take place in January of each even-numbered year. Authorizes the appointed trustee to be removed at any time by a vote of a majority of the elected trustees of the pension board. Requires a vacancy caused by the appointed trustee's death, resignation, or removal to be filled by the elected trustees of the pension board. Provides that the appointee serves for the remainder of the unexpired term of the replaced trustee. Prohibits an appointed trustee from serving beyond the expiration of the two-year term other than by appointment for a new term by the elected trustees of the pension board.

SECTION 2. Amends Section 3, Article 6243h, V.T.C.S., by adding Subsection (n), to authorize the pension board to enter into a written agreement with the city regarding pension issues and benefits, notwithstanding any other law. Requires the agreement to be approved by the pension board and signed by the mayor and by the pension board or the pension board's designee. Provides that the agreement is enforceable against and binding on the city and the pension system's members, retirees, deferred participants, beneficiaries, eligible survivors, and alternate payees. Prohibits the agreement from altering the composition of the pension board, reducing the amount of an earned benefit under this article, reducing the benefit accrual rates or maximum allowable pension under Section 10 of this article, or lengthening the schedule for retirement eligibility under Section 10 (b) of this article.

SECTION 3. Amends the heading to Section 15, Article 6243h, V.T.C.S., to read as follows:

Sec. 15. INCREASE IN BENEFITS.

SECTION 4. Amends Section 15, Article 6243h, V.T.C.S., by adding Subsection (d), to authorize a pension benefit or allowance provided by this article to be increased if certain conditions are met.

SECTION 5. Provides for the expiration of the terms of three current members and the appointment or reappointment of one public member of the pension board in accordance with this Act.

SECTION 6. Effective date: upon passage or September 1, 2003.