

1-1 By: Thompson (Senate Sponsor - Gallegos) H.B. No. 601  
1-2 (In the Senate - Received from the House April 15, 2003;  
1-3 April 22, 2003, read first time and referred to Committee on  
1-4 Administration; April 29, 2003, reported favorably by the  
1-5 following vote: Yeas 6, Nays 0; April 29, 2003, sent to printer.)

1-6 A BILL TO BE ENTITLED  
1-7 AN ACT

1-8 relating to the administration of a retirement system for officers  
1-9 and employees of certain municipalities.

1-10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-11 SECTION 1. Sections 2(c) and (j), Chapter 88, Acts of the  
1-12 77th Legislature, Regular Session, 2001 (Article 6243h, Vernon's  
1-13 Texas Civil Statutes), are amended to read as follows:

1-14 (c) The pension board consists of nine [~~11~~] trustees as  
1-15 follows:

1-16 (1) the mayor of the city, or the director of the civil  
1-17 service commission as the mayor's representative;

1-18 (2) the city treasurer or a person performing the  
1-19 duties of treasurer;

1-20 (3) four municipal employees of the city who are  
1-21 members of the pension system;

1-22 (4) two retirees, each of whom:

1-23 (A) has at least five years of credited service  
1-24 in the pension system;

1-25 (B) receives a retirement pension from the  
1-26 pension system; and

1-27 (C) is not an officer or employee of the city;  
1-28 and

1-29 (5) one person who [~~three persons, each of whom~~]:

1-30 (A) [~~is a registered voter in the city,~~  
1-31 [~~(B)~~] has been a resident of this state [~~the~~

1-32 city] for the three years preceding the date of initial  
1-33 appointment; and

1-34 (B) [~~(C)~~] is not a city officer or employee.

1-35 (j) To serve as a trustee under Subsection (c)(5) of this  
1-36 section, the [~~a~~] person must be appointed by a vote of a majority of  
1-37 the elected trustees of the pension board [~~the governing body of the~~  
1-38 city]. The [~~Each~~] trustee appointed under Subsection (c)(5) of  
1-39 this section serves a two-year term. The appointment or  
1-40 reappointment of [~~both~~] the appointed trustee [~~trustees~~] shall take  
1-41 place in January of each even-numbered year. The appointed trustee  
1-42 may be removed at any time by a vote of a majority of the elected  
1-43 trustees of the pension board. A vacancy caused by the [~~an~~]  
1-44 appointed trustee's death, resignation, or removal shall be filled  
1-45 by the elected trustees of the pension board [~~governing body of the~~  
1-46 city]. The appointee serves for the remainder of the unexpired term  
1-47 of the replaced trustee. An appointed trustee may not serve beyond  
1-48 the expiration of the two-year term other than by appointment for a  
1-49 new term by the elected trustees of the pension board [~~governing~~  
1-50 body of the city].

1-51 SECTION 2. Section 3, Chapter 88, Acts of the 77th  
1-52 Legislature, Regular Session, 2001 (Article 6243h, Vernon's Texas  
1-53 Civil Statutes), is amended by adding Subsection (n) to read as  
1-54 follows:

1-55 (n) Notwithstanding any other law, the pension board may  
1-56 enter into a written agreement with the city regarding pension  
1-57 issues and benefits. The agreement must be approved by the pension  
1-58 board and the governing body and signed by the mayor and by the  
1-59 pension board or the pension board's designee. The agreement is  
1-60 enforceable against and binding on the city and the pension  
1-61 system's members, retirees, deferred participants, beneficiaries,  
1-62 eligible survivors, and alternate payees.

1-63 SECTION 3. The heading to Section 15, Chapter 88, Acts of  
1-64 the 77th Legislature, Regular Session, 2001 (Article 6243h,

2-1 Vernon's Texas Civil Statutes), is amended to read as follows:

2-2 Sec. 15. [~~ANNUITY~~] INCREASE IN BENEFITS.

2-3 SECTION 4. Section 15, Chapter 88, Acts of the 77th  
2-4 Legislature, Regular Session, 2001 (Article 6243h, Vernon's Texas  
2-5 Civil Statutes), is amended by adding Subsection (d) to read as  
2-6 follows:

2-7 (d) A pension benefit or allowance provided by this article  
2-8 may be increased if:

2-9 (1) a qualified actuary selected by the pension board  
2-10 determines that the increase cannot reasonably be considered to  
2-11 jeopardize the pension system's ability to pay any existing  
2-12 benefit;

2-13 (2) the increase is approved by the pension board and  
2-14 the city in a written agreement as provided by Section 3(n) of this  
2-15 article; and

2-16 (3) the increase does not deprive a member or retiree,  
2-17 without the written consent of the member or retiree, from  
2-18 receiving the immediate or deferred retirement benefit that the  
2-19 member or retiree was eligible to receive under this article before  
2-20 the increase.

2-21 SECTION 5. The terms of the appointed trustees serving  
2-22 under Section 2(c)(5), Chapter 88, Acts of the 77th Legislature,  
2-23 Regular Session, 2001 (Article 6243h, Vernon's Texas Civil  
2-24 Statutes), on the effective date of this Act expire on that date.  
2-25 Not later than October 1, 2003, a pension board shall appoint or  
2-26 reappoint a trustee to reflect the changes made by this Act to  
2-27 Section 2, Chapter 88, Acts of the 77th Legislature, Regular  
2-28 Session, 2001 (Article 6243h, Vernon's Texas Civil Statutes), for a  
2-29 term expiring in January 2004, as provided by Section 2(j), Chapter  
2-30 88, Acts of the 77th Legislature, Regular Session, 2001 (Article  
2-31 6243h, Vernon's Texas Civil Statutes), as amended by this Act.

2-32 SECTION 6. This Act takes effect immediately if it receives  
2-33 a vote of two-thirds of all the members elected to each house, as  
2-34 provided by Section 39, Article III, Texas Constitution. If this  
2-35 Act does not receive the vote necessary for immediate effect, this  
2-36 Act takes effect September 1, 2003.

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