

By: Farabee

H.B. No. 1376

A BILL TO BE ENTITLED

AN ACT

1  
2 relating to the optional retirement program for certain employees  
3 of public institutions of higher education.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

5 SECTION 1. Section 830.002, Government Code, is amended by  
6 adding Subsection (d) to read as follows:

7 (d) The Higher Education Coordinating Board shall establish  
8 uniform minimum standards comportsing with the purpose of Section  
9 830.001 that a company, or the investments it offers, must meet to  
10 be eligible to offer a participant in the optional retirement  
11 program an investment authorized under Subsection (a) or Section  
12 830.004 but may not otherwise limit the investment that a  
13 participant may purchase under the program. Standards established  
14 under this subsection shall apply uniformly to all mutual fund and  
15 all fixed annuity investment options. This subsection shall in no  
16 way restrict an institution of higher education from adopting  
17 standards as set forth in Section 830.004(a).

18 SECTION 2. Section 830.004, Government Code, is amended by  
19 amending Subsection (a) and adding Subsections (c) and (d) to read  
20 as follows:

21 (a) A governing board may provide for contributions to any  
22 type of investment authorized by section 403(b) of the Internal  
23 Revenue Code of 1986 (26 U.S.C. Section 403), as it existed on  
24 January 1, 1981, and may arrange the purchase of fixed or variable

1 retirement annuities that meet the requirements of section 403(b)  
2 of the Internal Revenue Code of 1986 (26 U.S.C. Section 403) and  
3 Section 401(g) of the Internal Revenue Code of 1986 (26 U.S.C.  
4 Section 401). A governing board may establish minimum standards,  
5 including minimum participation requirements, that a company, or  
6 the investments it offers, must meet to be eligible to offer a  
7 participant in the optional retirement program an investment  
8 authorized by this subsection or Section 830.002(d) but may not  
9 otherwise limit the investment that a participant may purchase  
10 under the program if the investment is authorized by this  
11 subsection and Section 830.002(d) and qualifies under the  
12 applicable standards established under this subsection and Section  
13 830.002(d). [~~annuity contracts from any insurance or annuity~~  
14 ~~company that is qualified to do business in this state.]~~

15 (c) A governing board shall accept applications from  
16 companies seeking to obtain approval based on compliance with the  
17 applicable standards established under Section 830.002(d) and  
18 Section 830.004(a) and deny or approve the applications at least  
19 once each year.

20 (d) The Higher Education Coordinating Board may annually  
21 assess a fee for companies seeking to establish or maintain  
22 approval of compliance with the provisions of Section 830.002(d).

23 SECTION 3. Section 830.006, Government Code, is amended to  
24 read as follows:

25 Sec. 830.006 REPORTS FROM INSTITUTIONS. (a) The governing  
26 board of each institution of higher education, other than the Texas  
27 Higher Education Coordinating Board, shall annually submit a report

1 to the Higher Education Coordinating Board that includes  
2 information concerning the number of participants and eligible  
3 positions and the amount of contributions.

4 (b) The governing board of each institution required to file  
5 a report under Subsection (a) shall keep records, make  
6 certifications, and furnish to the Texas Higher Education  
7 Coordinating Board information and reports as required by the to  
8 enable it to carry out its functions under this subtitle.

9 SECTION 4. This Act takes effect September 1, 2003.  
10 Institutions adopting uniform standards and minimum participation  
11 requirements must have them implemented by December 31, 2003 or  
12 must adhere to the rules set forth by the Texas Higher Education  
13 Coordinating Board.