

By: Hunter

H.B. No. 3051

A BILL TO BE ENTITLED

1 AN ACT

2 relating to the administration of certain types of service credit
3 and annuity increases for members and retirees of the Texas
4 Municipal Retirement System.

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

6 SECTION 1. Section 854.203(b), Government Code, is amended
7 to read as follows:

8 (b) The amount of annuity increase under this section is
9 computed as the sum of the prior and current service annuities on
10 the effective date of retirement of the person on whose service the
11 annuities are based, multiplied by:

12 (1) the percentage change in the Consumer Price Index
13 for All Urban Consumers, published by the Bureau of Labor
14 Statistics of the United States Department of Labor, from December
15 of the year immediately preceding the effective date of the
16 person's retirement to the December that is 13 months before the
17 effective date of the ordinance providing the increase; and

18 (2) [~~30 percent, 50 percent, or~~] 70 percent, [~~as~~
19 ~~specified by the governing body in the ordinance,~~] except that if
20 the governing body has specified a different percentage in an
21 ordinance adopted under Section 853.404(c) and in effect on
22 December 31, 1999, the percentage used in computing annuity
23 increases for retirees of that municipality remains in effect until
24 changed or discontinued under Section 853.404.

1 SECTION 2. Sections 853.404(a) and (b), Government Code,
2 are amended to read as follows:

3 (a) The governing body of a participating municipality that
4 adopts an ordinance authorizing the crediting in the retirement
5 system of updated service credits under Sections 853.401, 853.402,
6 and 853.403, to be effective January 1 of a designated year, shall
7 ~~[may further]~~ provide in the ordinance that updated service credits
8 will be credited effective January 1 of each year following the
9 designated year, using the same percentage of the base updated
10 service credit specified in the ordinance in computing updated
11 service credits for each future year, until changed or discontinued
12 as provided by this section.

13 (b) The governing body of a participating municipality that
14 adopts an ordinance under Section 853.601, authorizing the
15 crediting of updated service credits for transferred service
16 effective January 1 of a designated year, shall ~~[may further]~~
17 provide in the ordinance that updated service credits will be
18 credited effective January 1 of each year following the designated
19 year, using the same percentage of the base updated service credit
20 specified in the ordinance in computing updated service credits for
21 each future year, until changed or discontinued as provided by this
22 section.

23 SECTION 3. This Act takes effect immediately if it receives
24 a vote of two-thirds of all the members elected to each house, as
25 provided by Section 39, Article III, Texas Constitution. If this
26 Act does not receive the vote necessary for immediate effect, this
27 Act takes effect September 1, 2003.