

1-1 By: Gallegos S.B. No. 308
1-2 (In the Senate - Filed January 28, 2003; February 5, 2003,
1-3 read first time and referred to Committee on Intergovernmental
1-4 Relations; April 3, 2003, reported favorably by the following
1-5 vote: Yeas 5, Nays 0; April 3, 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. Subsections (c) and (j), Section 2, Chapter 88,
1-12 Acts of the 77th Legislature, Regular Session, 2001 (Article 6243h,
1-13 Vernon's 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; and

1-28 (5) one person who [~~three persons, each of whom~~]:

1-29 (A) [~~is a registered voter in the city,~~
1-30 [~~(B)~~] has been a resident of this state [~~the~~

1-31 city] for the three years preceding the date of initial
1-32 appointment; and

1-33 (B) [~~(C)~~] is not a city officer or employee.

1-34 (j) To serve as a trustee under Subsection (c)(5) of this
1-35 section, the [a] person must be appointed by a vote of a majority of
1-36 the elected trustees of the pension board [~~the governing body of the~~
1-37 city]. The [Each] trustee appointed under Subsection (c)(5) of
1-38 this section serves a two-year term. The appointment or
1-39 reappointment of [both] the appointed trustee [trustees] shall take
1-40 place in January of each even-numbered year. The appointed trustee
1-41 may be removed at any time by a vote of a majority of the elected
1-42 trustees of the pension board. A vacancy caused by the [an]
1-43 appointed trustee's death, resignation, or removal shall be filled
1-44 by the elected trustees of the pension board [~~governing body of the~~
1-45 city]. The appointee serves for the remainder of the unexpired term
1-46 of the replaced trustee. An appointed trustee may not serve beyond
1-47 the expiration of the two-year term other than by appointment for a
1-48 new term by the elected trustees of the pension board [~~governing~~
1-49 body of the city].

1-50 SECTION 2. Section 3, Chapter 88, Acts of the 77th
1-51 Legislature, Regular Session, 2001 (Article 6243h, Vernon's Texas
1-52 Civil Statutes), is amended by adding Subsection (n) to read as
1-53 follows:

1-54 (n) Notwithstanding any other law, the pension board may
1-55 enter into a written agreement with the city regarding pension
1-56 issues and benefits. The agreement must be approved by the pension
1-57 board and signed by the mayor and by the pension board or the
1-58 pension board's designee. The agreement is enforceable against and
1-59 binding on the city and the pension system's members, retirees,
1-60 deferred participants, beneficiaries, eligible survivors, and
1-61 alternate payees. The agreement may not alter the composition of
1-62 the pension board, reduce the amount of an earned benefit under this
1-63 Act, reduce the benefit accrual rates or maximum allowable pension
1-64 under Section 10 of this Act, or lengthen the schedule for

2-1 retirement eligibility under Section 10(b) of this Act.

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

2-5 Sec. 15. ~~[ANNUITY]~~ INCREASE IN BENEFITS.

2-6 SECTION 4. Section 15, Chapter 88, Acts of the 77th
2-7 Legislature, Regular Session, 2001 (Article 6243h, Vernon's Texas
2-8 Civil Statutes), is amended by adding Subsection (d) to read as
2-9 follows:

2-10 (d) A pension benefit or allowance provided by this Act may
2-11 be increased if:

2-12 (1) a qualified actuary selected by the pension board
2-13 determines that the increase cannot reasonably be considered to
2-14 jeopardize the pension system's ability to pay any existing
2-15 benefit;

2-16 (2) the increase is approved by the pension board and
2-17 the city in a written agreement as provided by Section 3(n) of this
2-18 Act; and

2-19 (3) the increase does not deprive a member or retiree,
2-20 without the written consent of the member or retiree, from
2-21 receiving the immediate or deferred retirement benefit that the
2-22 member or retiree was eligible to receive under this Act before the
2-23 increase.

2-24 SECTION 5. The terms of the appointed trustees serving
2-25 under Subdivision (5), Subsection (c), Section 2, Chapter 88, Acts
2-26 of the 77th Legislature, Regular Session, 2001 (Article 6243h,
2-27 Vernon's Texas Civil Statutes), on the effective date of this Act
2-28 expire on that date. Not later than October 1, 2003, a pension
2-29 board shall appoint or reappoint a trustee to reflect the changes
2-30 made by this Act to Section 2, Chapter 88, Acts of the 77th
2-31 Legislature, Regular Session, 2001 (Article 6243h, Vernon's Texas
2-32 Civil Statutes), for a term expiring in January 2004, as provided by
2-33 Subsection (j), Section 2, Chapter 88, Acts of the 77th
2-34 Legislature, Regular Session, 2001 (Article 6243h, Vernon's Texas
2-35 Civil Statutes), as amended by this Act.

2-36 SECTION 6. This Act takes effect immediately if it receives
2-37 a vote of two-thirds of all the members elected to each house, as
2-38 provided by Section 39, Article III, Texas Constitution. If this
2-39 Act does not receive the vote necessary for immediate effect, this
2-40 Act takes effect September 1, 2003.

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