

LEGISLATIVE BUDGET BOARD  
Austin, Texas

FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION

April 6, 2003

**TO:** Honorable Allan Ritter, Chair, House Committee on Pensions & Investments

**FROM:** John Keel, Director, Legislative Budget Board

**IN RE: HB3051** by Hunter (Relating to the administration of certain types of service credit and annuity increases for members and retirees of the Texas Municipal Retirement System.), **As Introduced**

No fiscal implication to the State is anticipated.

Local Government Impact

House Bill 3051 would eliminate certain options for retiree annuity increases for all Texas Municipal Retirement System (TMRS) cities. Under the bill, cities would only be able to adopt the 70 percent factor or not adopt any increases. The 30 percent and 50 percent factors in current law would be eliminated.

The bill would also mandate that all TMRS cities adopt Updated Service Credits and Updated Service Credits for transferred service. Under current law, TMRS cities have the option to adopt these credits.

Here is an example of how certain TMRS cities would be affected:

Retiree Annuity Increases with 70 percent factor, if adopted

<i>City</i>	<i>Current Factor</i>	<i>Increase in Unfunded Actuarial Liability</i>
Corpus Christi	50%	\$ 6,234,540
McAllen	0%	\$ 1,670,758
Abilene	0%	\$ 5,803,875
Midland	50%	\$ 2,235,782

Mandatory Updated Service Credits

<i>City</i>	<i>Year USC last adopted</i>	<i>Increase in Unfunded Actuarial Liability</i>
Abilene	2000	\$ 470,880
Sherman	1988	\$ 53,800
University Park	2000	\$ 504,157
San Benito	2001	\$ 53,023

**Source Agencies:** 304 Comptroller of Public Accounts

**LBB Staff:** JK, RR, JB, ZS, KG