

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION

May 20, 2003

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

FROM: John Keel, Director, Legislative Budget Board

IN RE: SB1442 by Barrientos (Relating to participation in, contributions to, and benefits and administration of retirement systems for police officers in certain municipalities.), **As Engrossed**

No fiscal implication to the State is anticipated.

Local Government Impact

The bill has a provision that would allow the City of Austin Police Retirement System board to modify or eliminate the RETRO DROP benefit. If this benefit were improved, long-term increases in costs to the city of Austin would be expected. There is a requirement that at the time such a change were to be made, the amortization period for the retirement system's unfunded actuarial accrued liability could not exceed a standard; therefore, the benefit could only be improved if there were no immediate contribution increases required of the city.

No significant fiscal implication to units of local government is anticipated.

Source Agencies:

LBB Staff: JK, RR, DLBa, WM