

BILL ANALYSIS

C.S.H.B. 1655
By: Keffer, Jim
Pensions & Investments
Committee Report (Substituted)

BACKGROUND AND PURPOSE

The Texas Statewide Emergency Services Pension System is a voluntary, statewide retirement system that administers service retirement, disability retirement, and death benefits for volunteers and auxiliary personnel of emergency services departments, including voluntary fire departments and emergency medical service personnel. The pension system is actuarially unsound and requires statutorily mandated state contributions. C.S.H.B. 1655 dedicates 30 percent of the amount collected on fire insurance and allied lines in 2006 and 29.1 percent of the amount collected on those policies in 2007 to the Texas statewide emergency services personnel retirement fund.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

SECTION 1. Adds Section 221.008, Insurance Code, to dedicate 30 percent of the amount collected on fire insurance and allied lines in 2006 and 29.1 percent of the amount collected on those policies in 2007 to the Texas statewide emergency services personnel retirement fund.

SECTION 2. Effective immediately if it receives a two-thirds vote of all elected members in each house or September 1, 2005.

EFFECTIVE DATE

Effective immediately if it receives a two-thirds vote of all elected members in each house or September 1, 2005.

COMPARISON OF SUBSTITUTE TO ORIGINAL

SECTION 1. The substitute adds Section 221.008, Insurance Code, to keep the gross premiums insurance tax rate as in existing law. The substitute dedicates 30 percent of the amount collected on fire insurance and allied lines in 2006 and 29.1 percent of the amount collected on those policies in 2007 to the Texas statewide emergency services personnel retirement fund. The proposed section will expire December 31, 2008.

SECTION 2. The substitute changes the effective date to take place immediately if it receives a vote of two-thirds of all of the members elected to each house. If the act does not receive the vote necessary for immediate effect, this act takes effect September 1, 2005.