

By: Wong

H.B. No. 109

A BILL TO BE ENTITLED

AN ACT

1
2 relating to the actuarial analysis and other information required
3 for statutory changes to certain public retirement systems.

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

5 SECTION 1. Section 802.302(h), Government Code, is amended
6 to read as follows:

7 (h) Even if a public retirement system prepares an actuarial
8 analysis under Subsection (c) or (d), the board may have a second
9 actuary prepare a separate actuarial analysis. The board shall
10 have a second actuary prepare a separate actuarial analysis under
11 Section 802.3023 if that section is applicable.

12 SECTION 2. Subchapter D, Chapter 802, Government Code, is
13 amended by adding Section 802.3023 to read as follows:

14 Sec. 802.3023. ADDITIONAL ACTUARIAL ANALYSIS AND MUNICIPAL
15 INFORMATION REQUIRED BEFORE STATUTORY REVISION OF CERTAIN PUBLIC
16 RETIREMENT SYSTEMS. (a) This section applies only to a bill or
17 resolution that, if enacted, could affect the actuarial soundness
18 of a public retirement system created for the officers and
19 employees of a municipality with a population of 750,000 or more.

20 (b) Notwithstanding Subsection (a), this section does not
21 apply to the general appropriations bill.

22 (c) On filing a bill or resolution under this section, the
23 author shall attach a statement of the results of a vote taken for
24 information purposes by the governing body of the municipality for

1 or against the proposed bill or resolution. A bill or resolution
2 filed without the statement may not be referred to committee, and
3 the statement must remain with the bill or resolution throughout
4 the legislative process, including submission to the governor.

5 (d) In addition to the analysis required by Section 802.302,
6 a bill or resolution that proposes to revise the law governing a
7 public retirement system as described by Subsection (a) must be
8 accompanied by an actuarial analysis prepared by an independent
9 actuary appointed by the board. The analysis must be made available
10 to the legislative committee to which the bill or resolution is
11 referred before the committee finally votes to report the measure.

12 (e) The board shall adopt deadlines for the provision of an
13 independent actuarial analysis under this section to provide the
14 most complete information practicable in a timely manner.

15 (f) An independent actuary appointed under this section:

16 (1) must meet the requirements for an actuary employed
17 under Section 802.3021;

18 (2) may not be under contract with the retirement
19 system or the municipality to provide actuarial services; and

20 (3) may not have a conflict of interest with the
21 retirement system, the municipality, or any member of the governing
22 bodies of those entities.

23 (g) The analysis prepared under Subsection (d) must include
24 the contents required by Section 802.303, except that the
25 projection of costs must be for at least five years.

26 (h) The independent actuary shall prepare and submit the
27 actuarial analysis to the board.

1 (i) The board, after conducting an internal review of the
2 proposed bill or resolution, the actuarial analysis required by
3 Section 802.302, and the independent actuarial analysis, shall
4 prepare a report for the Legislative Budget Board. The report must
5 include:

6 (1) both actuarial analyses;

7 (2) the board's comments on whether the bill or
8 resolution would affect the actuarial soundness of the public
9 retirement system; and

10 (3) the reasons for the board's comments.

11 (j) The Legislative Budget Board shall include with any
12 actuarial impact statement that it prepares under legislative rules
13 for the bill or resolution:

14 (1) the board's entire report, including both
15 actuarial analyses;

16 (2) any actuarial analysis prepared for another bill
17 or resolution affecting the same public retirement system in the
18 three years preceding the first day of the legislative session for
19 which the bill or resolution under this section is filed; and

20 (3) any additional information the Legislative Budget
21 Board considers helpful or necessary in understanding how the bill
22 or resolution would affect the actuarial soundness of the public
23 retirement system.

24 (k) The cost of an independent actuarial analysis prepared
25 under this section shall be paid by:

26 (1) the public retirement system for which the
27 analysis is prepared;

1 (2) the municipality for which the retirement system
2 was created; or

3 (3) jointly by the retirement system and the
4 municipality as the governing bodies of each agree.

5 SECTION 3. This Act applies only to a bill or resolution
6 filed in the Texas House of Representatives or the Texas Senate on
7 or after the effective date of this Act.

8 SECTION 4. This Act takes effect September 1, 2005.