

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION

March 30, 2005

TO: Honorable Craig Eiland, Chair, House Committee on Pensions & Investments

FROM: John S. O'Brien, Deputy Director, Legislative Budget Board

IN RE: HB109 by Wong (Relating to the actuarial analysis and other information required for statutory changes to certain public retirement systems.), **As Introduced**

No fiscal implication to the State is anticipated.

The bill would amend the actuarial impact statement process for legislation that affects a public retirement system created for the officers and employees of a municipality with a population of 750,000 or more. In addition to current requirements, an actuarial impact statement for such legislation would include: 1) a statement of the results of a vote taken by the governing body of the municipality for or against the bill or resolution; 2) a secondary actuarial analysis by an independent actuary, and paid for by the local government and retirement system; and 3) any actuarial analyses prepared for other bills affecting the same retirement system in the prior three years.

The Pension Review Board and Legislative Budget Board would be able to meet the terms of the bill without requiring additional resources.

Local Government Impact

No significant fiscal implication to units of local government is anticipated. The proposal would potentially affect retirement plans in Houston, Dallas, and San Antonio. The cost of the independent actuarial analysis introduced by the bill would be paid for by the public retirement system, the municipality under which the retirement system was created, or by some combination of both the municipality and the retirement system. Generally the number of bills or resolutions affecting a retirement plan in a given municipality has not been significant, and the costs of another actuarial analysis would not be significant for a city of this size.

Source Agencies: 338 Pension Review Board

LBB Staff: JOB, SR, WP, WM