

By: Kolkhorst

H.B. No. 1880

A BILL TO BE ENTITLED

AN ACT

relating to restrictions on investments by certain public retirement systems of this state.

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

SECTION 1. Subchapter C, Chapter 802, Government Code, is amended by adding Section 802.2025 to read as follows:

Sec. 802.2025. RESTRICTIONS ON INVESTMENTS. (a) In this section:

(1) "Facility" has the meaning assigned by Section 227.001, Transportation Code.

(2) "Private toll road facility" means a facility or combination of facilities financed, developed, designed, constructed, maintained, repaired, or operated by a private entity under agreement with the Texas Department of Transportation.

(b) This section applies to only the following public retirement systems:

(1) the Employees Retirement System of Texas;

(2) the Judicial Retirement System of Texas Plan Two;

(3) the Teacher Retirement System of Texas;

(4) the Texas County and District Retirement System;

and

(5) the Texas Municipal Retirement System.

(c) A public retirement system may not invest money the retirement system manages for the retirement and other benefits of

1 public employee members, retirees, and their beneficiaries in a
2 private toll road facility, including a facility on the Trans-Texas
3 Corridor under Chapter 227, Transportation Code, either directly or
4 indirectly through investment in a private entity's equities or
5 obligations.

6 (d) The restriction under Subsection (c) does not affect the
7 fiduciary duty of a public retirement system under Section 67,
8 Article XVI, Texas Constitution, or other law.

9 SECTION 2. Section 802.2025, Government Code, as added by
10 this Act, applies only to an investment made on or after the
11 effective date of this Act. An investment made before the effective
12 date of this Act is governed by the law as it existed on the date of
13 the investment, and that law is continued in effect for that
14 purpose.

15 SECTION 3. This Act takes effect immediately if it receives
16 a vote of two-thirds of all the members elected to each house, as
17 provided by Section 39, Article III, Texas Constitution. If this
18 Act does not receive the vote necessary for immediate effect, this
19 Act takes effect September 1, 2007.