

AN ACT

relating to member contributions to certain retirement, disability, and death benefit systems provided by certain cities and towns.

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

SECTION 1. Section 2, Chapter 426, Acts of the 64th Legislature, Regular Session, 1975 (Article 6243k, Vernon's Texas Civil Statutes), is amended to read as follows:

Sec. 2. (a) An incorporated city or town may create a retirement, disability, and death benefit system for its appointive officers and employees if a majority of the qualified voters of the city or town voting on the proposition approve the creation at an election called for that purpose. Each member of the system shall contribute to the system an amount determined by the city or town, which, except as provided by Subsection (b), may not exceed 10 percent of the member's annual compensation paid by the city or town, and the city or town shall contribute for each member an amount that at least equals but is not more than twice the amount of the member's contribution. A member of a municipal system is eligible for disability benefits if he is disabled in the course of his employment with the city or town. A member is eligible for retirement benefits if he is 65 years old or older, or he is 60 years old but less than 65 years old and has been employed by the city or town for 25 years or more.

1 (b) Each member of a retirement, disability, and death
2 benefit system provided under this section by a city or town shall
3 contribute to the system an amount determined by the city or town
4 that may exceed 10 percent of the annual compensation paid to the
5 member by the city or town if the city or town:

6 (1) has a population of 500,000 or more; and

7 (2) is located in a county:

8 (A) that has a population of 1.4 million or more;

9 and

10 (B) in which two or more cities or towns that each
11 have a population of 300,000 or more are predominately located.

12 SECTION 2. This Act takes effect September 1, 2007.

President of the Senate

Speaker of the House

I certify that H.B. No. 2870 was passed by the House on April 27, 2007, by the following vote: Yeas 133, Nays 0, 2 present, not voting.

Chief Clerk of the House

I certify that H.B. No. 2870 was passed by the Senate on May 15, 2007, by the following vote: Yeas 30, Nays 0.

Secretary of the Senate

APPROVED: _____

Date

Governor