

By: Haggerty

H.B. No. 3355

A BILL TO BE ENTITLED

AN ACT

relating to certain fire and police pension funds

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

SECTION 1. Sections 1(a) and 1(b), Article 6243b, Revised Statutes, are amended to read as follows:

Sec. 1. (a) In all incorporated cities and towns containing more than 550,000 inhabitants and less than 600,000 inhabitants, having a fully or partially paid fire department, ~~the mayor or the mayor's authorized representative, two (2)~~ three (3) citizens of said city or town to be designated by the mayor, two (2) citizens of said city or town to be designated by the City Manager, ~~the chief of police or the chief's authorized representative, the chief of the fire department or the chief's authorized representative, and the successors of the mayor, chief of police, and chief of the fire department,~~ three (3) policemen ~~other than the chief or assistant chief~~ to be elected by members of the policemen's pension fund, three (3) firemen ~~other than the chief or assistant chief~~, to be elected by members of the firemen's pension fund, composing eleven (11) members, seven (7) of which shall be a quorum, shall constitute a board of trustees of the Firemen and Policemen Pension Fund, to provide for the disbursement of the same and to designate the beneficiaries thereof. ~~The three policemen and the three firemen named above shall be elected to a term of four (4) years. The term for a citizen designated by the mayor is four (4) years.~~ The board

1 shall be known as the Board of Firemen and Policemen Pension Fund,
2 _____, Texas. Said board shall organize by choosing one
3 member as Chairman and by appointing a secretary. Such board shall
4 have charge of and administer said fund and shall order payments
5 therefrom in pursuance of the provisions of this law. It shall
6 report annually to the governing body of such city or town the
7 condition of the said fund and the receipts and disbursements on
8 account of the same with a complete list of beneficiaries of said
9 fund and the amounts paid them.

10 ~~(b) Of the first two (2) citizens designated by the mayor to~~
11 ~~serve on the board of trustees after the effective date of this~~
12 ~~subsection, one shall serve a four-year term and the other a~~
13 ~~two-year term. Thereafter all terms shall be for four (4) years.~~
14 ~~Of the first six (6) firemen and policemen elected after the~~
15 ~~effective date of this subsection, three (3) of the firemen and~~
16 ~~policemen shall serve four-year terms and three (3) of the firemen~~
17 ~~and policemen shall serve two-year terms. The first four-year~~
18 ~~terms shall not be served by all three members elected from the~~
19 ~~firemen's fund nor by all three members elected from the policemen's~~
20 ~~fund. This determination shall be made by lot under the supervision~~
21 ~~of the board. Thereafter all elected terms shall be for four (4)~~
22 ~~years.~~ (b) The terms of the appointees of the mayor and city
23 manager shall be four (4) years beginning on the effective date of
24 this statute. The ex-officio members and citizen appointees will
25 continue to serve on the board until the mayor and city manager have
26 appointed their successors. The terms of the firemen and policemen
27 elected to serve on the board shall be four (4) years. The firemen

1 and policemen previously elected by the policemen and firemen will
2 continue to serve until the expirations of their existing terms.

3 SECTION 2. Sec. 10A, Article 6243b, Revised Statutes, is
4 amended by adding subsections (c) and (d) to read as follows:

5 (c) In the event the Board decides to modify or change
6 benefits provided by Section 10A(a)(1) this Act, such modification
7 or change may only be made if the following conditions are
8 satisfied:

9 (1) The modification or change must be approved by a
10 qualified actuary selected by a four-fifths vote of the Board; the
11 actuary, if an individual, must be a Fellow of the Society of
12 Actuaries or a Fellow of the Conference of Actuaries in Public
13 Practice or a Member of the American Academy of Actuaries; if an
14 actuarial consulting firm is selected, that firm must be
15 established in the industry of providing actuarial consulting
16 services to pension plans and have experienced personnel able to
17 provide the required services; the actuarial findings must include
18 a determination that the changes are actuarially supported by the
19 existing funding status of the fund; the findings upon which the
20 properly selected and qualified actuary's approval are based are
21 not subject to judicial review;

22 (2) The change must be approved by the city's or town's
23 governing body; and

24 (3) If the change is not approved by the city's or
25 town's governing body, the board may, by resolutions passed by
26 four-fifths vote of the members of the board, petition the city's or
27 town's governing body to hold an election on the question. Upon

1 receipt of the resolution, and as soon as practicable, the city's or
2 town's governing body will call an election to submit the question
3 to the qualified voters of the city or town. Any change proposed
4 and subsequently approved by the voters will become effective the
5 next fiscal year.

6 (d) In the event that the fund is determined to be
7 underfunded as determined by a qualified actuary or actuarial
8 consulting firm, as described in subsection (c)(1) to this Section
9 10A, and selected by a four-fifths vote of the Board and such
10 actuary projects that the underfunding will continue for a minimum
11 of 10 years, the city or town's governing body, notwithstanding any
12 language existing in the city or town's charter, may increase its
13 contributions to the fund provided that the membership approves a
14 proportional increase in contributions, pursuant to procedures set
15 forth in subsection (b)(2) to this Section 10A. Any increase in the
16 contributions shall maintain the existing contribution rates in
17 effect as of January 1, 2008.

18 SECTION 3. This Act takes effect on September 1, 2007.