

By: Watson

S.B. No. 1626

A BILL TO BE ENTITLED

AN ACT

relating to the proportionate retirement program.

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

SECTION 1. Section 803.101, Government Code, is amended by adding Subsection (g) to read as follows:

(g) The governing body of a public retirement system in this state for municipal police officers or firefighters in a municipality described by Section 803.0021(1) that is a qualified plan under Section 401(a) of the Internal Revenue Code of 1986 (29 U.S.C. section 401) and the governing body of the municipality may elect to have the retirement system participate in the proportionate retirement program by adopting resolutions to that effect. The governing body of the municipality may not adopt a resolution unless an actuary acting for the municipality has reviewed the initial cost to the municipality of electing such participation. The governing body of the retirement system shall notify all other participating retirement systems of the election. The effective date of participation in the proportionate retirement program by a retirement system for which an election is made under this subsection is the first day of the third month after the month in which notice is given under this subsection. An election under this subsection does not require the approval of the participants in the public retirement system making the election. The governing body of the municipality that finances the retirement system shall

1 appropriate and pay to the retirement system at the same time that
2 the municipality makes its monthly contributions to the retirement
3 system all additional contributions determined by the system's
4 actuary to be necessary in order to fund the additional liabilities
5 incurred by the retirement system as a result of participating in
6 the proportionate retirement program.

7 SECTION 2. This Act takes effect immediately if it receives
8 a vote of two-thirds of all the members elected to each house, as
9 provided by Section 39, Article III, Texas Constitution. If this
10 Act does not receive the vote necessary for immediate effect, this
11 Act takes effect September 1, 2007.