

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

May 9, 2007

TO: Honorable Robert Duncan, Chair, Senate Committee on State Affairs

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

IN RE: HB2664 by Truitt (Relating to audits of certain public retirement system actuarial valuations, studies, and reports.), **As Engrossed**

No significant fiscal implication to the State is anticipated.

The bill would amend Chapter 802, Government Code by adding a section requiring that the actuarial valuation, study and report of each public retirement system be audited once every five years by a qualified independent actuary. The bill would eliminate the rulemaking authority granted to the State Pension Review Board. The bill specifies the date by which the first audit must be completed, what must be included in the audit, and submission date of the audit. The bill requires the first audit under the new section be conducted no later than September 1, 2008.

It is estimated that the individual public retirement systems would absorb the costs associated with the reporting requirements of the bill by utilizing existing resources. Therefore, no significant fiscal impact to the state is anticipated.

The bill does not apply to the Employees Retirement System, Teacher Retirement System, Texas County and District Retirement System, and Texas Municipal Retirement System, or the Judicial Retirement System of Texas PlanTwo. The bill takes effect September 1, 2007.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies:

LBB Staff: JOB, KJG, JW