

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

May 11, 2007

TO: Honorable Tom Craddick, Speaker of the House, House of Representatives

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

IN RE: HB3392 by Guillen (Relating to the resumption of employment by certain retirees within the Texas Municipal Retirement System.), **As Passed 2nd House**

No fiscal implication to the State is anticipated.

The bill would add Section 852.1085 to Subchapter B, Chapter 852 of the Government Code, regarding the Texas Municipal Retirement System (TMRS). The new section would allow an employee who retired from a municipal department because the department became privatized and who later resumes employment with the same municipality to continue to receive the person's retirement annuity. Resumption of annuity payments would apply to a person who meets eligibility requirements under the proposed new statute and who resumed employment prior to the effective date of the bill. Resumption would begin on the first payment date occurring on or after the effective date of the bill. Such persons would not be entitled to recover payments not made during the period the annuity was suspended under the current statute and the effective date of the bill.

The bill would take effect immediately if it were to receive the required two-thirds vote in each house; otherwise, it would take effect September 1, 2007.

Local Government Impact

According to the TMRS, the number of persons to whom the provisions of the bill would apply would not be enough to have a significant fiscal impact on the system nor on the participating municipalities.

Source Agencies: 701 Central Education Agency

LBB Staff: JOB, SD, KJG, DB