

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

May 24, 2007

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

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

IN RE: HB3731 by Guillen (Relating to the administration of retirement systems for paid, partly paid, or volunteer firefighters.), **As Passed 2nd House**

No fiscal implication to the State is anticipated.

The bill would remove the provision in Section 13 of the Texas Local Fire Fighters Retirement Act that requires the board of trustees of a retirement plan to issue a certificate of service to a terminated member. The bill would also amend Section 29 to change the level of contributions a municipality or other political subdivision is required to make to an affected retirement system for each participating employee. Current statute requires the amount to be the smaller rate of the equivalent rate paid by the employee or 9 percent; the bill would change the percentage to 12 percent.

Local Government Impact

The fiscal impact to a municipality or other political subdivision would depend on the number of employees for whom the governmental entity would otherwise have to issue a certificate of service (minimal savings) and the number of employees for whom the entity makes a contribution and whether the 12 percent is the lower rate compared to the current rate contributed (increased cost).

Source Agencies: 325 Fire Fighters' Pension Commissioner

LBB Staff: JOB, DB, KJG, JW