

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

May 8, 2007

TO: Honorable Vicki Truitt, Chair, House Committee on Pensions & Investments

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

IN RE: SB976 by Brimer (Relating to the public retirement system of certain municipalities.),
Committee Report 2nd House, Substituted

No fiscal implication to the State is anticipated.

The bill would add Article 6243i to Title 109, Revised Statutes, to authorize certain municipalities to establish a unitary retirement system. Requirements applicable to the operation and administration of the system are included in the bill, as well as specifications related to the benefits and membership.

The bill would apply only to a municipality with a population of 500,000 or more that has established, by municipal ordinance, a single unitary public retirement system for employees of all departments of the municipality. The administrative rules currently governing an eligible municipality's public retirement system in effect on May 31, 2007 would continue in effect on and after the effective date of the bill. Amendments to the benefit programs or plans; rule amendments adopted by board of trustees; amendments concerning contributions; and emergency, routine, or statutorily required amendments that may be adopted that would be added by the bill would take effect on or after the effective date of the bill. As soon as practicable after the effective date of the bill, a new board of trustees must be elected or appointed.

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

The City of Fort Worth is the only municipality to which the applicability criteria would apply.

Because the bill would not have statewide impact on units of local government of the same type or class, no comment from this office is required by the rules of the House/Senate as to its probable fiscal implication on units of local government.

Source Agencies:

LBB Staff: JOB, KJG, DB