

By: Truitt

H.B. No. 1070

A BILL TO BE ENTITLED

AN ACT

relating to audits of certain public retirement system actuarial valuations, studies, and reports.

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

SECTION 1. Sections 802.1012(a), (b), and (c), Government Code, are amended to read as follows:

(a) In this section:

(1) "Governmental [~~,"governmental]~~ entity" means a unit of government that is the employer of active members of a public retirement system.

(2) "Plan year" means the 12-month accounting period of the affected pension plan of a public retirement system subject to this section.

(b) Except as provided by Subsection (k), this section applies only to a public retirement system with total assets the book value of which, as of the last day of the retirement system's preceding plan [~~fiscal~~] year, is at least \$100 million.

(c) Not later than the date six months after the last day of the first plan year in which a public retirement system has total assets the book value of which as of the last day of that plan year is at least \$100 million, and, subject to continuing applicability under Subsection (b), every [~~Every~~] five years after that date, the actuarial valuations, studies, and reports of the [~~a public~~] retirement system most recently prepared for the retirement system

1 as required by Section 802.101 or other law under this title or  
2 under Title 109, Revised Statutes, must be audited by an  
3 independent actuary who:

4 (1) is engaged for the purpose of the audit by the  
5 governmental entity; and

6 (2) has the credentials required for an actuary under  
7 Section 802.101(d).

8 SECTION 2. (a) The change in law made by this Act applies  
9 only to a public retirement system to which Section 802.1012,  
10 Government Code, as amended by this Act, applies and that has a plan  
11 year, as defined by Section 802.1012(a), Government Code, as  
12 amended by this Act, that ends on or after September 1, 2009.

13 (b) A governmental entity that has received a final audit  
14 report under Section 802.1012, Government Code, as added by Chapter  
15 733 (H.B. 2664), Acts of the 80th Legislature, Regular Session,  
16 2007, before the effective date of this Act is not required to  
17 initiate another audit under Section 802.1012, Government Code, as  
18 amended by this Act, before September 1, 2013.

19 (c) A governmental entity that was required to but has not  
20 initiated an audit under Section 802.1012, Government Code, as  
21 added by Chapter 733 (H.B. 2664), Acts of the 80th Legislature,  
22 Regular Session, 2007, before the effective date of this Act shall  
23 initiate the audit not later than March 1, 2010.

24 (d) The first audit initiated under Section 802.1012,  
25 Government Code, as amended by this Act, must include an audit of  
26 each actuarial valuation, study, and report of the public  
27 retirement system prepared for that retirement system in the

1 preceding five years. This subsection does not apply to a  
2 governmental entity that has initiated but has not completed an  
3 audit under Section 802.1012, Government Code, as added by Chapter  
4 733 (H.B. 2664), Acts of the 80th Legislature, Regular Session,  
5 2007, before the effective date of this Act.

6 SECTION 3. This Act takes effect September 1, 2009.