

1-1 By: Truitt (Senate Sponsor - Duncan) H.B. No. 1070
1-2 (In the Senate - Received from the House April 23, 2009;
1-3 May 1, 2009, read first time and referred to Committee on State
1-4 Affairs; May 12, 2009, reported favorably by the following vote:
1-5 Yeas 9, Nays 0; May 12, 2009, sent to printer.)

1-6 A BILL TO BE ENTITLED
1-7 AN ACT

1-8 relating to audits of certain public retirement system actuarial
1-9 valuations, studies, and reports.

1-10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-11 SECTION 1. Sections 802.1012(a), (b), and (c), Government
1-12 Code, are amended to read as follows:

1-13 (a) In this section:

1-14 (1) "Governmental" [,"governmental"] entity means a
1-15 unit of government that is the employer of active members of a
1-16 public retirement system.

1-17 (2) "Plan year" means the 12-month accounting period
1-18 of the affected pension plan of a public retirement system subject
1-19 to this section.

1-20 (b) Except as provided by Subsection (k), this section
1-21 applies only to a public retirement system with total assets the
1-22 book value of which, as of the last day of the retirement system's
1-23 preceding plan [fiscal] year, is at least \$100 million.

1-24 (c) Not later than the date six months after the last day of
1-25 the first plan year in which a public retirement system has total
1-26 assets the book value of which as of the last day of that plan year
1-27 is at least \$100 million, and, subject to continuing applicability
1-28 under Subsection (b), every [Every] five years after that date, the
1-29 actuarial valuations, studies, and reports of the [a public]
1-30 retirement system most recently prepared for the retirement system
1-31 as required by Section 802.101 or other law under this title or
1-32 under Title 109, Revised Statutes, must be audited by an
1-33 independent actuary who:

1-34 (1) is engaged for the purpose of the audit by the
1-35 governmental entity; and

1-36 (2) has the credentials required for an actuary under
1-37 Section 802.101(d).

1-38 SECTION 2. (a) The change in law made by this Act applies
1-39 only to a public retirement system to which Section 802.1012,
1-40 Government Code, as amended by this Act, applies and that has a plan
1-41 year, as defined by Section 802.1012(a), Government Code, as
1-42 amended by this Act, that ends on or after September 1, 2009.

1-43 (b) A governmental entity that has received a final audit
1-44 report under Section 802.1012, Government Code, as added by Chapter
1-45 733 (H.B. 2664), Acts of the 80th Legislature, Regular Session,
1-46 2007, before the effective date of this Act is not required to
1-47 initiate another audit under Section 802.1012, Government Code, as
1-48 amended by this Act, before September 1, 2013.

1-49 (c) A governmental entity that was required to but has not
1-50 initiated an audit under Section 802.1012, Government Code, as
1-51 added by Chapter 733 (H.B. 2664), Acts of the 80th Legislature,
1-52 Regular Session, 2007, before the effective date of this Act shall
1-53 initiate the audit not later than March 1, 2010.

1-54 (d) The first audit initiated under Section 802.1012,
1-55 Government Code, as amended by this Act, must include an audit of
1-56 each actuarial valuation, study, and report of the public
1-57 retirement system prepared for that retirement system in the
1-58 preceding five years. This subsection does not apply to a
1-59 governmental entity that has initiated but has not completed an
1-60 audit under Section 802.1012, Government Code, as added by Chapter
1-61 733 (H.B. 2664), Acts of the 80th Legislature, Regular Session,
1-62 2007, before the effective date of this Act.

1-63 SECTION 3. This Act takes effect September 1, 2009.

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