

1-1 By: Kolkhorst, et al. (Senate Sponsor - Duncan) H.B. No. 1259  
1-2 (In the Senate - Received from the House May 13, 2009;  
1-3 May 14, 2009, read first time and referred to Committee on State  
1-4 Affairs; May 22, 2009, reported adversely, with favorable  
1-5 Committee Substitute by the following vote: Yeas 8, Nays 0;  
1-6 May 22, 2009, sent to printer.)

1-7 COMMITTEE SUBSTITUTE FOR H.B. No. 1259 By: Duncan

1-8 A BILL TO BE ENTITLED  
1-9 AN ACT

1-10 relating to hiring outside legal counsel to provide legal services  
1-11 to the Teacher Retirement System of Texas.

1-12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-13 SECTION 1. Section 825.203, Government Code, is amended to  
1-14 read as follows:

1-15 Sec. 825.203. LEGAL REPRESENTATION [~~ADVISER~~]. (a) The  
1-16 attorney general of the state is the legal adviser of the board of  
1-17 trustees. The attorney general shall represent the board in all  
1-18 litigation.

1-19 (b) The board may not employ outside legal counsel to  
1-20 provide legal services to the retirement system except as provided  
1-21 by this section and Section 402.0212, regardless of the source of  
1-22 funds to be used to pay the outside counsel. For purposes of this  
1-23 section, "legal services" includes services provided by an attorney  
1-24 regarding ethics and fiduciary responsibilities.

1-25 (c) The attorney general shall timely act on a request to  
1-26 approve a contract for outside legal services under Section  
1-27 402.0212. If the attorney general denies the board's request for  
1-28 approval of a contract for outside legal services:

1-29 (1) the attorney general shall provide the board with  
1-30 the reason for the denial; and

1-31 (2) the board may select alternative outside legal  
1-32 counsel, subject to approval by the attorney general in accordance  
1-33 with this section and Section 402.0212.

1-34 SECTION 2. Section 825.203(c), Government Code, as added by  
1-35 this Act, applies only to a request to approve a contract for  
1-36 outside legal services submitted by the Teacher Retirement System  
1-37 of Texas on or after the effective date of this Act. A request  
1-38 submitted before the effective date of this Act is governed by the  
1-39 law in effect on the date the request was submitted and that law is  
1-40 continued in effect for that purpose.

1-41 SECTION 3. This Act takes effect immediately if it receives  
1-42 a vote of two-thirds of all the members elected to each house, as  
1-43 provided by Section 39, Article III, Texas Constitution. If this  
1-44 Act does not receive the vote necessary for immediate effect, this  
1-45 Act takes effect September 1, 2009.

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