

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION**

**May 20, 2009**

**TO:** Honorable Robert Duncan, Chair, Senate Committee on State Affairs

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

**IN RE: HB1259** by Kolkhorst (Relating to hiring outside legal counsel to provide legal services to the Teacher Retirement System of Texas.), **As Engrossed**

<p><b>No significant fiscal implication to the State is anticipated.</b></p>
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The bill would clarify that the Teacher Retirement System (TRS) may not employ outside legal counsel, including legal counsel in the areas of ethics and fiduciary responsibilities, except as provided by Section 402.0212 of the Government Code, regardless of the source of funds used.

Additionally, if the Office of the Attorney General (OAG) denies approval of a TRS contract for legal services under Section 402.0212 of the Government Code, the OAG shall assist TRS in selecting alternative outside legal counsel under that section.

The bill would take effect September 1, 2009.

**Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 302 Office of the Attorney General, 323 Teacher Retirement System

**LBB Staff:** JOB, KJG, JRO, JGM, JW