

SENATE AMENDMENTS

2nd Printing

By: Kolkhorst, Leibowitz, Legler,
Kleinschmidt

H.B. No. 1259

A BILL TO BE ENTITLED

AN ACT

relating to hiring outside legal counsel to provide legal services
to the Teacher Retirement System of Texas.

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

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

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

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

(c) Notwithstanding the requirement under Section
402.0212(a) that the attorney general provide legal services to a
state agency if the attorney general denies approval of a contract
for legal services, the attorney general shall, in a timely manner,
assist the board with selecting alternative outside legal counsel
if the attorney general denies approval under that section of the
board's request for outside legal counsel.

SECTION 2. Section 825.203(b), Government Code, as added by

1 this Act, is intended to clarify rather than change existing law.

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

ADOPTED

MAY 27 2009

Atty Gen
Secretary of the Senate
H.B. No. 1259

By: Duncan

Substitute the following for H.B. No. 1259:

By: Du

C.S. H.B. No. 1259

A BILL TO BE ENTITLED

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

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

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

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

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

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

(2) the board may select alternative outside legal

1 counsel, subject to approval by the attorney general in
2 accordance with this section and Section 402.0212.

3 SECTION 2. Section 825.203(c), Government Code, as added
4 by this Act, applies only to a request to approve a contract for
5 outside legal services submitted by the Teacher Retirement
6 System of Texas on or after the effective date of this Act. A
7 request submitted before the effective date of this Act is
8 governed by the law in effect on the date the request was
9 submitted and that law is continued in effect for that purpose.

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

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

May 27, 2009

TO: Honorable Joe Straus, Speaker of the House, House of Representatives

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 Passed 2nd House**

No significant fiscal implication to the State is anticipated.

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 provide a reason for the denial and TRS would be able to select alternative outside legal counsel, subject to approval by the OAG in accordance with Sections 825.203 and 402.0121 of the Government Code.

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, SD, KJG, JRO, JGM, JW

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

May 21, 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.), **Committee Report 2nd House, Substituted**

No significant fiscal implication to the State is anticipated.

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 provide a reason for the denial and TRS would be able to select alternative outside legal counsel, subject to approval by the OAG in accordance with Sections 825.203 and 402.0121 of the Government Code.

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

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**

No significant fiscal implication to the State is anticipated.

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

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

March 31, 2009

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

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 Introduced**

No significant fiscal implication to the State is anticipated.

The bill would clarify that the Teacher Retirement System of Texas must obtain approval from the Office of the Attorney General in accordance with Section 402.0212, Government Code, regardless of the source of funds used, including legal counsel in the areas of ethics and fiduciary responsibilities. 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, JRO, JGM, JW