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No equivalent provision.

SECTION __. The heading to Chapter 801, Government Code, is amended to read as follows:
CHAPTER 801. STATE PENSION AND INVESTMENT REVIEW BOARD

No equivalent provision.

SECTION __. Subdivision (1), Section 801.001, Government Code, is amended to read as follows:
(1) "Board" means the State Pension and Investment Review Board.

No equivalent provision.

SECTION __. Section 801.101, Government Code, is amended to read as follows:
Sec. 801.101. PENSION AND INVESTMENT REVIEW BOARD. The State Pension and Investment Review Board is an agency of the state.

No equivalent provision.

SECTION __. Subsection (a), Section 801.102, Government Code, is amended to read as follows:
(a) The board is composed of seven [~~nine~~] members.

No equivalent provision.

SECTION __. Section 801.103, Government Code, is amended to read as follows:
Sec. 801.103. MEMBERS APPOINTED BY GOVERNOR. (a) The governor shall appoint, with the advice and consent of the senate, five [~~seven~~] members

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to the board.

(b) The governor shall appoint to the board:

(1) three persons who have experience in the fields of securities investment, pension administration, ~~[or]~~ pension law, institutional investment, investment risk management, or institutional audits but who are not members or retirees of a public retirement system;

(2) one person who is a fellow of the Society of Actuaries, a member of the American Academy of Actuaries, or an enrolled actuary under the federal Employee Retirement Income Security Act of 1974 (29 U.S.C. Sec. 1001 et seq.); and

(3) ~~[one person who has experience in the field of governmental finance;~~

~~[(4)]~~ one person who:

(A) is a contributing member of a public retirement system; or

(B) ~~and~~

~~[(5)]~~ ~~one person who~~ is receiving retirement benefits from a public retirement system.

SECTION __. Section 801.104, Government Code, is amended to read as follows:

Sec. 801.104. MEMBERS APPOINTED BY OTHERS.

(a) The lieutenant governor shall appoint one member to the board ~~[one member of the senate]~~.

(b) The speaker of the house of representatives shall appoint one member to the board ~~[one member of the~~

No equivalent provision.

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~~house~~].

(c) Each person appointed to the board under this section must have experience in the field of securities investment, pension administration, pension law, institutional investment, investment risk management, or institutional audits.

No equivalent provision.

SECTION __. Section 801.106, Government Code, is amended to read as follows:

Sec. 801.106. **TERMS OF OFFICE.** Members of the board hold office for staggered terms of six years, with the terms of two or three members expiring on January 31 of each odd-numbered year.

No equivalent provision.

SECTION __. Section 801.107, Government Code, is amended to read as follows:

Sec. 801.107. **SUNSET PROVISION.** The State Pension and Investment Review Board is subject to Chapter 325 (Texas Sunset Act). Unless continued in existence as provided by that chapter, the board is abolished and this chapter expires September 1, 2013.

No equivalent provision.

SECTION __. The heading to Section 801.113, Government Code, is amended to read as follows:

Sec. 801.113. **PROVISION OF CERTAIN SERVICES** [~~FUND~~].

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No equivalent provision.

SECTION __. Subsection (e), Section 801.113, Government Code, is amended to read as follows:

(e) The board is authorized to conduct training sessions, schools, or other educational activities for trustees and administrators of public retirement systems. The board may also furnish other appropriate services such as actuarial studies or other requirements of systems and may establish appropriate fees for these activities and services. ~~[The fees may be based on whether or not the trustees, administrators, or systems contribute to the State Pension Review Board fund under Subsection (e) of this section. The net proceeds of these fees shall be deposited in the fund.]~~

No equivalent provision.

SECTION __. Subsections (b) and (c), Section 801.201, Government Code, are amended to read as follows:

(b) For the purpose of performing its duties under Section 801.202(1) or (2), the board by rule may require clarification of information provided by a public retirement system or other entity subject to Subchapter D in a report that is required by law and is required to be filed with the board. ~~[A rule adopted under this subsection may not be enforced against a public retirement system if compliance with the rule would cause the system to incur a major expense.]~~

(c) The board by rule shall:

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- (1) adopt actuarial guidelines that may be used by public retirement systems;
- (2) adopt a brief standard form that will assist the board in efficiently determining the actuarial soundness, if applicable, and current financial condition of a public retirement system or other entity subject to Subchapter D; and
- (3) [~~2~~] require that a retirement system or other entity subject to Subchapter D submitting information required for the review or study described under Section 801.202(1) or (2) include the form with the submission.

No equivalent provision.

SECTION __. Section 801.202, Government Code, is amended to read as follows:

Sec. 801.202. GENERAL DUTIES. The board shall:

- (1) conduct a continuing review of:
 - (A) public retirement systems, compiling and comparing information about benefits, creditable service, financing, and administration of systems; and
 - (B) the investment practices of public retirement systems and other entities subject to Subchapter D;
- (2) conduct intensive studies of potential or existing problems that threaten [the actuarial soundness of] or inhibit:
 - (A) the financial condition or actuarial soundness of public funds managed or invested by an entity subject to Subchapter D; or
 - (B) an equitable distribution of benefits in one or more

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public retirement systems;
(3) provide information and technical assistance on pension planning to public retirement systems on request; ~~and~~
(4) review and document whether the board believes an entity subject to Subchapter D is investing funds in compliance with:
(A) the entity's investment strategy; and
(B) applicable law governing the entity's investments;
and
(5) recommend policies, practices, and legislation to public retirement systems and other entities subject to Subchapter D and appropriate governmental entities.

No equivalent provision.

SECTION __. Subsection (a), Section 801.203, Government Code, is amended to read as follows:
(a) The board shall present to the legislature and the governor, in November of each even-numbered year, a public report explaining the work and findings of the board during the preceding two-year period and including drafts or recommendations of any legislation relating to public retirement systems or other entities subject to Subchapter D that the board finds advisable.

No equivalent provision.

SECTION __. Section 801.204, Government Code, is amended to read as follows:
Sec. 801.204. INSPECTION OF RECORDS. To the

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extent it is necessary to perform ~~[In performing]~~ its functions, the board may inspect the books, records, or accounts of a public retirement system or another entity subject to Subchapter D during business hours of the system.

No equivalent provision.

SECTION __. Chapter 801, Government Code, is amended by adding Subchapter D to read as follows:

SUBCHAPTER D. BOARD INVESTMENT OVERSIGHT

Sec. 801.301. APPLICABILITY. (a) This subchapter applies only to the investment of:

(1) public funds by:

(A) the comptroller;

(B) the Employees Retirement System of Texas, including a retirement system administered by that system;

(C) the Teacher Retirement System of Texas;

(D) the Texas Municipal Retirement System;

(E) the Texas County and District Retirement System;

and

(F) the Texas Emergency Services Retirement System;

(2) the permanent university fund by the board of regents of The University of Texas System or any entity acting on behalf of the board of regents, including a nonprofit corporation acting under Section 66.08, Education Code; and

(3) the permanent school fund by the State Board of

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Education or any entity acting on behalf of the State Board of Education, including a nonprofit corporation acting under Section 43.006, Education Code.

(b) For purposes of this subchapter, a reference to "public retirement system" means a public retirement system subject to this subchapter.

Sec. 801.302. ANNUAL REPORT TO BOARD. An entity subject to this subchapter shall, not later than six months after the last day of the fiscal year under which the entity operates or, if a public retirement system, the plan year under which the entity operates, file with the board and post on the entity's Internet website information that the board determines is necessary to perform the board's duties under Section 801.202 unless the information is confidential under law.

Sec. 801.303. REPORT ON INVESTMENT STRATEGY. (a) An entity subject to this subchapter shall:

- (1) develop and adopt a written investment strategy;
- (2) file a copy of the strategy with the board not later than the 90th day after the date the strategy is adopted; and
- (3) file a copy of each change to the strategy with the board not later than the 90th day after the change is adopted.

(b) A report under this section may be combined with any other report required by this chapter or Chapter 802.

Sec. 801.304. TIMELY SUBMISSION OF CERTAIN REPORTS AND RESPONSES REQUIRED. (a) The

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presiding officer of an entity subject to this subchapter or the governing body of an entity subject to this subchapter is responsible for ensuring that a report or a response to a request for information made by the board for the purpose of performing the board's duties under Section 801.202 is filed timely with the board.

(b) It is grounds for removal by the appropriate appointing officer if the presiding officer of an entity subject to this subchapter or the governing body of an entity subject to this subchapter consistently fails to timely submit a report or respond to a request for information under Subsection (a).

(c) If the board determines that the presiding officer of an entity subject to this subchapter consistently fails to timely report or respond to a request for information under Subsection (a), the board shall notify the appropriate appointing officer, if any, the governor, if the governor is not the appropriate appointing officer, and the Legislative Budget Board of its determination.

Sec. 801.305. CONTRACTS WITH INVESTMENT MANAGERS AND CERTAIN OTHERS. A contract with an investment manager or other person to provide services to an entity subject to this subchapter relating to the management and investment of public funds for or on behalf of the entity is subject to review by the board regarding the fees charged and paid by the subject entity and the services rendered to the entity in consideration for the fees.

Sec. 801.306. DISCLOSURE OF CERTAIN

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POTENTIAL CONFLICTS OF INTEREST; ANNUAL FILING. (a) This section applies to:

(1) a member of the governing body of a public retirement system subject to this subchapter;

(2) an investment manager for a public retirement system appointed by contract;

(3) a member of the board of regents of The University of Texas System;

(4) the officers and directors of a nonprofit corporation under contract with the board of regents of The University of Texas System under Section 66.08, Education Code, to invest the funds of the permanent university fund on behalf of the board of regents;

(5) a member of the State Board of Education;

(6) the officers and directors of a nonprofit corporation acting under contract with the State Board of Education to invest the funds of the permanent school fund under Section 43.006, Education Code; and

(7) any private professional investment manager who has entered into a contract with the comptroller under Section 404.024(k) to assist the comptroller in investing public funds.

(b) A person to whom this section applies and who has a business, commercial, or other relationship that a reasonable person would find likely to materially diminish the person's independence of judgment in the performance of the person's responsibilities with respect to the management or investment of public funds for or on behalf of an entity subject to this subchapter shall

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immediately disclose the relationship in writing to the entity.

(c) If a person described by Subsection (a)(1) or (3) intentionally fails to disclose a relationship under Subsection (b), it is a ground for removal from the governing body of the entity on which the person serves.

(d) If a person described by Subsection (a)(2), (4), (6), or (7), intentionally fails to disclose a relationship under Subsection (b):

(1) the contract is voidable by the entity; and

(2) the governing body of the entity may enter an order declaring the person ineligible to contract for business relating to the management or investment of public funds for or on behalf of the entity.

(e) At least annually and not later than a date specified by the entity, a person to whom this section applies shall file a statement with the entity stating that the person is aware that the person is required to disclose material conflicts of interest under this section and that the person is in compliance with this section.

Sec. 801.307. PROHIBITION AGAINST ACCEPTANCE OF CERTAIN GIFTS. In any 12-month period, the comptroller or a person who is a member of the governing body of a public retirement system, the board of regents of The University of Texas System, or the State Board of Education or an employee of an entity subject to this subchapter employed in a "bona fide executive, administrative, or professional capacity," as that phrase is used for purposes of

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establishing an exemption to the overtime provisions of the federal Fair Labor Standards Act of 1938 (29 U.S.C. Section 201 et seq.), may not accept a gift or gifts, the total value of which is more than \$250, including food, entertainment, and a promised future benefit, from another person doing business with or seeking to do business with the entity.

Sec. 801.308. PROHIBITED CONTRACTS. A public retirement system, the board of regents of The University of Texas System, or the State Board of Education may not directly or indirectly enter into a contract with a former member of the governing body of a public retirement system, the board of regents of The University of Texas System, or the State Board of Education, respectively, to provide services relating to the management and investment of public funds before the second anniversary of the date the person ceases to be a member of the body or board, as applicable.

Sec. 801.309. CIVIL PENALTY. (a) A person who commits fraud, theft, embezzlement, fraudulent conversion, unlawful appropriation, or misapplication of property in relation to a service provided by the person to an entity subject to this subchapter is liable to this state for a civil penalty in an amount not to exceed \$250,000 for each offense.

(b) The attorney general may bring an action to recover the civil penalty imposed under this section.

(c) The penalty under this section is in addition to any other remedy provided by law.

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Sec. 801.310. INVESTIGATION OF CERTAIN COMPLAINTS; ASSISTANCE OF ATTORNEY GENERAL. (a) The board shall adopt rules and procedures for receiving and investigating a complaint against a person who provides management or investment services to an entity subject to this subchapter alleging that the person:

(1) violated or may have violated Section 801.306 or another applicable conflict of interest provision; or

(2) has been or may have been involved in criminal conduct relating to the services provided by the person to the entity.

(b) The board or the attorney general may, without receiving a complaint, initiate an investigation under this section if the board or the attorney general, as applicable, determines an investigation is appropriate.

(c) The board may enter into a memorandum of understanding with the attorney general to assist in an investigation under this section. The memorandum must specify the type, scope, and format of the investigative assistance provided by the attorney general.

(d) If the board or the attorney general determines that a criminal offense may have been committed, the board or the attorney general, as applicable, shall refer the case to the appropriate law enforcement agency for prosecution.

No equivalent provision.

SECTION __. Subdivision (1), Section 802.001, Government Code, is amended to read as follows:

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(1) "Board" means the State Pension and Investment Review Board.

No equivalent provision.

SECTION __. Subsection (d), Section 802.003, Government Code, is amended to read as follows:

(d) The State Pension and Investment Review Board may file an appropriate pleading, in the manner provided by this section for filing by an individual, for the purpose of enforcing a requirement of Subchapter B or C, other than a requirement of Section 802.101(a), 802.101(d), 802.102, 802.103(a), or 802.104.

No equivalent provision.

SECTION __. Subsection (c), Section 802.101, Government Code, is amended to read as follows:

(c) The governing body of a public retirement system shall file with the State Pension and Investment Review Board a copy of each actuarial study and each separate report made as required by law.

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

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

- (1) is engaged for the purpose of the audit by the governmental entity; and
- (2) has the credentials required for an actuary under Section 802.101(d).

No equivalent provision.

SECTION __. Subsection (j), Section 802.1012, Government Code, is amended to read as follows:

- (j) The governmental entity shall:
- (1) maintain a copy of the final audit report at its main office for public inspection;

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- (2) submit a copy of the final audit report to the public retirement system and the State Pension and Investment Review Board not later than the 30th day after the date the final audit report is received by the governmental entity; and
- (3) pay all costs associated with conducting the audit and preparing and distributing the report under this section.

No equivalent provision.

SECTION __. Subchapter B, Chapter 802, Government Code, is amended by adding Section 802.1013 to read as follows:

Sec. 802.1013. ACTUARIAL EXPERIENCE STUDIES. (a) In this section, "plan year" means the 12-month accounting period of the affected pension plan of a public retirement system subject to this section.

(b) Subject to Subsection (c), the board may require a public retirement system with total assets the book value of which, as of the last day of the preceding plan year, is at least \$100 million to conduct an actuarial experience study.

(c) The board may not require a public retirement system to conduct more than one actuarial experience study every five years.

(d) The board may adopt rules to implement this section.

No equivalent provision.

SECTION __. Subsections (b) and (c), Section 802.103,

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Government Code, are amended to read as follows:

(b) The governing body of a public retirement system shall, before the 211th day after the last day of the fiscal year under which the system operates, file with the State Pension and Investment Review Board a copy of each annual financial report it makes as required by law.

(c) A public retirement system that is subject to Chapter 125, Acts of the 45th Legislature, Regular Session, 1937 (Article 6243e, Vernon's Texas Civil Statutes), and that has total assets with a book value, as of the last day of the fiscal year, of less than \$50,000, may submit to the State Pension and Investment Review Board for that year, instead of the financial report otherwise required by this section to be published and submitted, a copy of the financial report it submits to the firemen's pension commissioner.

No equivalent provision.

SECTION __. Subsection (a), Section 802.105, Government Code, is amended to read as follows:

(a) Each public retirement system shall, before the 91st day after the date of its creation, register with the State Pension and Investment Review Board.

No equivalent provision.

SECTION __. Subsection (h), Section 802.106, Government Code, is amended to read as follows:

(h) A public retirement system shall submit to the State Pension and Investment Review Board copies of the

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summarized information required by Subsections (a) and (b). A system shall submit a copy of the information required by Subsection (a) before the 31st day after the date of publication and a copy of the information required by Subsection (b) before the 271st day after the date a change is adopted.

No equivalent provision.

SECTION __. Section 802.107, Government Code, is amended to read as follows:

Sec. 802.107. GENERAL PROVISIONS RELATING TO REPORTS. (a) A public retirement system shall maintain for public review at its main office and at such other locations as the retirement system considers appropriate copies of the most recent edition of each type of report or other information required by this chapter to be submitted to the State Pension and Investment Review Board unless the information is confidential under law. Public information required to be reported annually to the board may be posted on the retirement system's Internet website or on the website of the board.

(b) Information required by this chapter to be submitted to the State Pension and Investment Review Board may be contained in one or more documents but must be submitted within the period provided by the provision requiring the information.

No equivalent provision.

SECTION __. Subsection (d), Section 802.202,

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Government Code, is amended to read as follows:

(d) The governing body of a public retirement system shall:

- (1) develop and adopt a written investment policy;
- (2) maintain for public review at its main office a copy of the policy;
- (3) file a copy of the policy with the State Pension and Investment Review Board not later than the 90th day after the date the policy is adopted; and
- (4) file a copy of each change to the policy with the State Pension and Investment Review Board not later than the 90th day after the change is adopted.

No equivalent provision.

SECTION __. The heading to Section 802.3021, Government Code, is amended to read as follows:
Sec. 802.3021. STATE PENSION AND INVESTMENT REVIEW BOARD ACTUARY.

No equivalent provision.

SECTION __. Subsection (f), Section 810.001, Government Code, is amended to read as follows:
(f) Every political entity which establishes or maintains a public retirement system covered under this Act shall file all reports with the State Pension and Investment Review Board required by Chapter 802. If a political subdivision establishes a retirement program that would be a "public retirement system" within the meaning ascribed to that term by Section 801.001, but for the fact

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that the program is administered by a life insurance company, the subdivision shall notify the State Pension and Investment Review Board of the establishment of the program and the name of the administering company.

No equivalent provision.

SECTION __. Subsection (d), Section 815.110, Government Code, is amended to read as follows:

(d) No later than 30 days after the legislative audit committee receives an audit report, the committee shall file a copy of the report with the retirement system, the governor, the lieutenant governor, the speaker of the house of representatives, the State Pension and Investment Review Board, the state auditor, and the secretary of state for publication in the Texas Register.

No equivalent provision.

SECTION __. Subsection (a), Section 815.510, Government Code, is amended to read as follows:

(a) The Employees Retirement System of Texas shall submit a report not later than the 25th day of the month following the end of each fiscal year to the governor, the lieutenant governor, the speaker of the house of representatives, the executive director of the State Pension and Investment Review Board, the appropriate oversight committees of the house and senate, and the Legislative Budget Board. The report shall include the following:

(1) the current end-of-fiscal-year market value of the

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trust fund;
(2) the asset allocations of the trust fund expressed in percentages of stocks, fixed income, cash, or other financial investments; and
(3) the investment performance of the trust fund utilizing accepted industry measurement standards.

No equivalent provision.

SECTION __. Subsections (c) and (d), Section 825.108, Government Code, are amended to read as follows:

(c) A copy of the report required by Subsection (a) must be filed with the governor, the lieutenant governor, the speaker of the house of representatives, the State Pension and Investment Review Board, the legislative audit committee, and the state auditor no later than December 15 of each year.

(d) A copy of the report required by Subsection (b) must be filed with the governor, the lieutenant governor, the speaker of the house of representatives, the State Pension and Investment Review Board, the legislative audit committee, and the state auditor no later than March 1 of each year.

No equivalent provision.

SECTION __. Subsection (d), Section 825.111, Government Code, is amended to read as follows:

(d) No later than 30 days after the legislative audit committee receives an audit report, the committee shall file a copy of the report with the retirement system, the

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governor, the lieutenant governor, the speaker of the house of representatives, the State Pension and Investment Review Board, the state auditor, and the secretary of state for publication in the Texas Register.

No equivalent provision.

SECTION __. Subsection (e), Section 825.512, Government Code, is amended to read as follows:

(e) The retirement system shall submit an annual investment performance report not later than the 45th day after the end of each fiscal year to the governor, the lieutenant governor, the speaker of the house of representatives, the executive director of the State Pension and Investment Review Board, the legislative audit committee, the committees of the senate and the house of representatives having jurisdiction over appropriations, the committees of the senate and the house of representatives having principal jurisdiction over legislation governing the retirement system, and the Legislative Budget Board. The report shall include a listing of all commissions and fees paid by the system during the reporting period for the sale, purchase, or management of system assets.

No equivalent provision.

SECTION __. Section 825.513, Government Code, is amended to read as follows:

Sec. 825.513. INFORMATION FOR PUBLICATION. The retirement system shall verify with the State Pension

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and Investment Review Board the accuracy of information about the effects of proposed legislation on benefits and the trust fund before including the information in an official publication of the retirement system.

No equivalent provision.

SECTION __. Section 825.518, Government Code, is amended to read as follows:

Sec. 825.518. ANNUAL REPORT. The Teacher Retirement System of Texas shall submit a statistical analysis based on information compiled under Section 822.005(d) not later than the 25th day of the month following the end of each fiscal year to the governor, the lieutenant governor, the speaker of the house of representatives, the executive director of the State Pension and Investment Review Board, the appropriate oversight committees of the house and senate, and the Legislative Budget Board.

No equivalent provision.

SECTION __. Section 2, Chapter 817 (S.B. 127), Acts of the 73rd Legislature, Regular Session, 1993 (Article 4413(34e), Vernon's Texas Civil Statutes), is amended to read as follows:

Sec. 2. The manager of each state trust fund shall submit to the governor, the lieutenant governor, the speaker of the house of representatives, and the executive director of the State Pension and Investment Review Board:

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- (1) not later than January 25 of each year, a report with the information required by Section 3 of this Act covering the last six months of the previous calendar year; and
- (2) not later than June 25 of each year, a report with the information required by Section 3 of this Act covering the first six months of that calendar year.

No equivalent provision.

SECTION __. Subsection (d), Section 12.03, Chapter 183 (S.B. 598), Acts of the 64th Legislature, Regular Session, 1975 (Article 6243e.1, Vernon's Texas Civil Statutes), is amended to read as follows:
(d) The board of trustees shall file with the State Pension and Investment Review Board a copy of each actuarial study and each separate report made as required by law.

No equivalent provision.

SECTION __. Section 10, Article 6243e.2(1), Revised Statutes, is amended to read as follows:
Sec. 10. NONSTATUTORY BENEFIT INCREASES.
The benefits provided by this article may be increased if:
(1) an actuary selected by the board who, if an individual, is a Fellow of the Society of Actuaries, a Fellow of the Conference of Actuaries in Public Practice, or a member of the American Academy of Actuaries determines that the increase cannot reasonably be viewed as posing a material risk of jeopardizing the fund's ability to pay any existing benefit;

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- (2) a majority of the participating members of the fund vote for the increase by a secret ballot;
- (3) the increase does not deprive a member, without the member's written consent, of a right to receive benefits that have already become fully vested and matured in a member; and
- (4) the State Pension and Investment Review Board approves the determination by the actuary selected by the board that the increase cannot reasonably be viewed as posing a material risk of jeopardizing the fund's ability to pay any existing benefit.

No equivalent provision.

SECTION __. Subsections (a), (b), (c), (d), and (f), Section 801.113, Government Code, are repealed.

No equivalent provision.

SECTION __. (a) The name of the State Pension Review Board is changed to the State Pension and Investment Review Board. A reference in law to the State Pension Review Board means the State Pension and Investment Review Board. A reference in law to the State Pension Review Board fund means the State Pension and Investment Review Board fund.

(b) An appropriation for the use and benefit of the State Pension Review Board is available for the use and benefit of the State Pension and Investment Review Board.

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No equivalent provision.

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SECTION __. (a) As soon as practicable on or after the effective date of this Act:

(1) the governor shall appoint five members to the State Pension and Investment Review Board as provided by Section 801.103, Government Code, as amended by this Act, as follows:

(A) two members for a term expiring January 31, 2011;

(B) two members for a term expiring January 31, 2013;
and

(C) one member for a term expiring January 31, 2015;

(2) the lieutenant governor shall appoint one member to the State Pension and Investment Review Board as provided by Subsection (a), Section 801.104, Government Code, as amended by this Act, for a term expiring January 31, 2013; and

(3) the speaker of the house of representatives shall appoint one member to the State Pension and Investment Review Board as provided by Subsection (b), Section 801.104, Government Code, as amended by this Act, for a term expiring January 31, 2015.

(b) The term of a member of the State Pension Review Board serving immediately before the effective date of this Act expires at the time five or more of the members appointed to the State Pension and Investment Review Board under Subsection (a) of this section qualify for office. Until the expiration of a member's term occurs under this subsection, the member has the same powers and duties that the member had immediately before that date.

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No equivalent provision.

SECTION __. Subchapter D, Chapter 801, Government Code, as added by this Act, applies to the oversight of funds by the State Pension and Investment Review Board, regardless of whether the investment of those funds was made before, on, or after the effective date of this Act.

No equivalent provision.

SECTION __. This Act does not make an appropriation. A provision in this Act that creates a new governmental program, creates a new entitlement, or imposes a new duty on a governmental entity is not mandatory during a fiscal period for which the legislature has not made a specific appropriation to implement the provision.

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

Same as House version.

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

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under Section 802.1012, Government Code, as amended by this Act, before September 1, 2013.

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

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

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

SENATE VERSION

Same as House version.

CONFERENCE