

**House Bill 1259**  
Senate Amendments  
Section-by-Section Analysis

HOUSE VERSION

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

SENATE VERSION

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

SECTION 2. Section 825.203(c), Government Code, as added by this Act, applies only to a request to approve a contract for outside legal services submitted by the Teacher Retirement System of Texas on or after the

CONFERENCE

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effective date of this Act. A request submitted before the effective date of this Act is governed by the law in effect on the date the request was submitted and that law is continued in effect for that purpose.

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

Same as House version.