

BILL ANALYSIS

C.S.H.J.R. 127

By: Truitt

Pensions, Investments & Financial Services
Committee Report (Substituted)

BACKGROUND AND PURPOSE

The Texas Constitution requires the legislature to provide by law for the creation by any city or county of a system of benefits for its officers and employees. The constitution also requires the legislature to provide by law for a statewide system of benefits for local government officers and employees in which a city, county, or other political subdivision may elect to participate. Those specific constitutional provisions do not expressly address the matter of whether a local public retirement system may ask the state for funds to pay the local public retirement system's debts and other obligations or whether such a system is prohibited from doing so. This absence of constitutional guidance leaves doubt as to whether all Texas taxpayers could end up having to pay the debts of certain local public retirement systems. C.S.H.J.R. 127 seeks to clarify this matter by proposing a constitutional amendment to prohibit the use of state funds to pay for the obligations of a public retirement system not belonging to a statewide system.

RULEMAKING AUTHORITY

It is the committee's opinion that this resolution does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

C.S.H.J.R. 127 proposes an amendment to the Texas Constitution to exempt the state from liability for any debt or other obligation of a retirement system not belonging to a statewide system and to prohibit the legislature from appropriating money to such a retirement system to pay any of that retirement system's debts or other obligations. The resolution sets out the required ballot language.

ELECTION DATE

The constitutional amendment proposed by this joint resolution will be submitted to the voters at an election to be held November 8, 2011.

COMPARISON OF ORIGINAL AND SUBSTITUTE

C.S.H.J.R. 127 differs from the original by exempting the state from liability for any debt or obligation of a retirement system not belonging to a statewide system and prohibiting the legislature from appropriating money to such a retirement system to pay any of that retirement system's debts or obligations, whereas the original exempts the state from such liability with respect to a local retirement system created as provided by law for the benefit of municipal, county, or other local government officers and employees and prohibits the legislature from appropriating money to such a local retirement system for that purpose.