

AN ACT

relating to service and qualifications for membership on an advisory committee established by the Employees Retirement System of Texas to provide advice to the board of trustees on investments and investment-related issues.

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

SECTION 1. Subchapter F, Chapter 815, Government Code, is amended by adding Sections 815.5091, 815.5092, and 815.5093 to read as follows:

Sec. 815.5091. MEMBERSHIP ON ADVISORY COMMITTEE ON INVESTMENTS. (a) The board of trustees may, under the investment duties delegated to the board by Section 67, Article XVI, Texas Constitution, establish an investment advisory committee as the board considers necessary to assist the board in its investment duties.

(b) A person appointed to serve as a member of an advisory committee established by the board of trustees to provide advice to the board on investments and investment-related issues must be:

(1) a person with expertise in the management of a financial institution or other business in which investment decisions are made; or

(2) a prominent educator in the field of economics, finance, or another investment-related area.

(c) A person appointed to serve as a member of a committee

1 described by Subsection (b) shall assist the board of trustees in
2 carrying out the board's fiduciary duties with regard to the
3 investment of the assets of the retirement system and related
4 duties under this chapter and Chapter 609.

5 Sec. 815.5092. INELIGIBILITY FOR MEMBERSHIP ON ADVISORY
6 COMMITTEE ON INVESTMENTS. (a) A person is not eligible for
7 appointment to an advisory committee established by the board of
8 trustees to provide advice to the board on investments and
9 investment-related issues if the person or the person's spouse:

10 (1) is employed by or participates in the management
11 of a business entity or other organization receiving funds from the
12 retirement system;

13 (2) owns or controls, directly or indirectly, more
14 than a 10 percent interest in a business entity or other
15 organization receiving funds from the retirement system; or

16 (3) is a paid officer, employee, or consultant of a
17 Texas trade association in the field of insurance or investment.

18 (b) A person is not eligible for appointment to a committee
19 described by Subsection (a) if the person is required to register as
20 a lobbyist under Chapter 305 because of the person's activities for
21 compensation on behalf of a business or an association related to
22 the investment of the assets of this state or of the retirement
23 system.

24 (c) In this section, "Texas trade association" has the
25 meaning assigned by Section 815.0031.

26 Sec. 815.5093. REVIEW OF AND REMOVAL FROM ADVISORY
27 COMMITTEE ON INVESTMENTS. (a) The board of trustees shall at least

1 annually review the eligibility status of members serving on an
2 advisory committee established to provide advice to the board on
3 investments and investment-related issues.

4 (b) It is a ground for removal from a committee described by
5 Subsection (a) that a person is:

6 (1) not qualified for appointment to the committee
7 under Section 815.5091 or 815.5092;

8 (2) unable to discharge the person's duties on the
9 committee because of illness, disability, or other personal
10 circumstances; or

11 (3) absent from more than half of the scheduled
12 meetings of the committee that the person is eligible to attend
13 during a calendar year.

14 (c) If the executive director or a member of the advisory
15 committee has knowledge that a potential ground for removal exists,
16 the executive director or committee member shall notify the
17 presiding officer of the board of trustees of the potential ground
18 for removal.

19 (d) This section does not limit the power of the board of
20 trustees to remove a person from the advisory committee under
21 Section 815.509(a).

22 (e) The board of trustees may prescribe the process for
23 removal from a committee described by Subsection (a).

24 SECTION 2. This Act takes effect September 1, 2011.

President of the Senate

Speaker of the House

I certify that H.B. No. 2193 was passed by the House on April 11, 2011, by the following vote: Yeas 144, Nays 0, 1 present, not voting.

Chief Clerk of the House

I certify that H.B. No. 2193 was passed by the Senate on May 25, 2011, by the following vote: Yeas 31, Nays 0.

Secretary of the Senate

APPROVED: _____

Date

Governor