

By: Truitt

H.B. No. 2193

A BILL TO BE ENTITLED

AN ACT

1  
2 relating to service and qualifications for membership on an  
3 advisory committee established by the Employees Retirement System  
4 of Texas to provide advice to the board of trustees on investments  
5 and investment-related issues.

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

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

10 Sec. 815.5091. MEMBERSHIP ON ADVISORY COMMITTEE ON  
11 INVESTMENTS. (a) A person appointed to serve as a member of an  
12 advisory committee established by the board of trustees to provide  
13 advice to the board on investments and investment-related issues  
14 must be a person with demonstrated financial expertise who has  
15 worked in private business or industry and has broad investment  
16 experience, preferably in investment of pension funds.

17 (b) A person appointed to serve as a member of a committee  
18 described by Subsection (a) shall assist the board of trustees in  
19 carrying out the board's fiduciary duties with regard to the  
20 investment of the assets of the retirement system under this  
21 chapter.

22 Sec. 815.5092. INELIGIBILITY FOR MEMBERSHIP ON ADVISORY  
23 COMMITTEE ON INVESTMENTS. (a) A person is not eligible for  
24 appointment to an advisory committee established by the board of

1 trustees to provide advice to the board on investments and  
2 investment-related issues if the person or the person's spouse:

3 (1) is employed by or participates in the management  
4 of a business entity or other organization receiving funds from the  
5 retirement system;

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

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

11 (b) A person is not eligible for appointment to a committee  
12 described by Subsection (a) if the person is required to register as  
13 a lobbyist under Chapter 305 because of the person's activities for  
14 compensation on behalf of a business or an association related to  
15 the investment of the assets of this state or of the retirement  
16 system.

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

19 Sec. 815.5093. REVIEW OF AND REMOVAL FROM ADVISORY  
20 COMMITTEE ON INVESTMENTS. (a) The board of trustees shall at least  
21 annually review the eligibility status of members serving on an  
22 advisory committee established to provide advice to the board on  
23 investments and investment-related issues.

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

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

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

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

7           (c) If the executive director or a member of the advisory  
8 committee has knowledge that a potential ground for removal exists,  
9 the executive director or committee member shall notify the  
10 presiding officer of the board of trustees of the potential ground  
11 for removal.

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

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