

1-1 By: Truitt (Senate Sponsor - Duncan) H.B. No. 2193  
1-2 (In the Senate - Received from the House April 12, 2011;  
1-3 April 20, 2011, read first time and referred to Committee on State  
1-4 Affairs; May 20, 2011, reported favorably by the following vote:  
1-5 Yeas 7, Nays 0; May 20, 2011, sent to printer.)

1-6 A BILL TO BE ENTITLED  
1-7 AN ACT

1-8 relating to service and qualifications for membership on an  
1-9 advisory committee established by the Employees Retirement System  
1-10 of Texas to provide advice to the board of trustees on investments  
1-11 and investment-related issues.

1-12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-13 SECTION 1. Subchapter F, Chapter 815, Government Code, is  
1-14 amended by adding Sections 815.5091, 815.5092, and 815.5093 to read  
1-15 as follows:

1-16 Sec. 815.5091. MEMBERSHIP ON ADVISORY COMMITTEE ON  
1-17 INVESTMENTS. (a) The board of trustees may, under the investment  
1-18 duties delegated to the board by Section 67, Article XVI, Texas  
1-19 Constitution, establish an investment advisory committee as the  
1-20 board considers necessary to assist the board in its investment  
1-21 duties.

1-22 (b) A person appointed to serve as a member of an advisory  
1-23 committee established by the board of trustees to provide advice to  
1-24 the board on investments and investment-related issues must be:

1-25 (1) a person with expertise in the management of a  
1-26 financial institution or other business in which investment  
1-27 decisions are made; or

1-28 (2) a prominent educator in the field of economics,  
1-29 finance, or another investment-related area.

1-30 (c) A person appointed to serve as a member of a committee  
1-31 described by Subsection (b) shall assist the board of trustees in  
1-32 carrying out the board's fiduciary duties with regard to the  
1-33 investment of the assets of the retirement system and related  
1-34 duties under this chapter and Chapter 609.

1-35 Sec. 815.5092. INELIGIBILITY FOR MEMBERSHIP ON ADVISORY  
1-36 COMMITTEE ON INVESTMENTS. (a) A person is not eligible for  
1-37 appointment to an advisory committee established by the board of  
1-38 trustees to provide advice to the board on investments and  
1-39 investment-related issues if the person or the person's spouse:

1-40 (1) is employed by or participates in the management  
1-41 of a business entity or other organization receiving funds from the  
1-42 retirement system;

1-43 (2) owns or controls, directly or indirectly, more  
1-44 than a 10 percent interest in a business entity or other  
1-45 organization receiving funds from the retirement system; or

1-46 (3) is a paid officer, employee, or consultant of a  
1-47 Texas trade association in the field of insurance or investment.

1-48 (b) A person is not eligible for appointment to a committee  
1-49 described by Subsection (a) if the person is required to register as  
1-50 a lobbyist under Chapter 305 because of the person's activities for  
1-51 compensation on behalf of a business or an association related to  
1-52 the investment of the assets of this state or of the retirement  
1-53 system.

1-54 (c) In this section, "Texas trade association" has the  
1-55 meaning assigned by Section 815.0031.

1-56 Sec. 815.5093. REVIEW OF AND REMOVAL FROM ADVISORY  
1-57 COMMITTEE ON INVESTMENTS. (a) The board of trustees shall at  
1-58 least annually review the eligibility status of members serving on  
1-59 an advisory committee established to provide advice to the board on  
1-60 investments and investment-related issues.

1-61 (b) It is a ground for removal from a committee described by  
1-62 Subsection (a) that a person is:

1-63 (1) not qualified for appointment to the committee  
1-64 under Section 815.5091 or 815.5092;

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

2-4                   (3) absent from more than half of the scheduled  
2-5 meetings of the committee that the person is eligible to attend  
2-6 during a calendar year.

2-7                   (c) If the executive director or a member of the advisory  
2-8 committee has knowledge that a potential ground for removal exists,  
2-9 the executive director or committee member shall notify the  
2-10 presiding officer of the board of trustees of the potential ground  
2-11 for removal.

2-12                   (d) This section does not limit the power of the board of  
2-13 trustees to remove a person from the advisory committee under  
2-14 Section 815.509(a).

2-15                   (e) The board of trustees may prescribe the process for  
2-16 removal from a committee described by Subsection (a).

2-17                   SECTION 2. This Act takes effect September 1, 2011.

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