

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

May 17, 2011

TO: Honorable Vicki Truitt, Chair, House Committee on Pensions, Investments & Financial Services

FROM: John S O'Brien, Director, Legislative Budget Board

IN RE: SB371 by Seliger (Relating to the eligibility for service retirement annuities of certain elected officials convicted of certain crimes.), **Committee Report 2nd House, Substituted**

No significant fiscal implication to the State is anticipated.

The bill would amend Government Code by adding Section 814.1021 which would make certain elected members ineligible to receive a service retirement annuity if convicted of a qualifying felony. The bill defines a qualifying felony as any felony involving bribery; embezzlement, extortion, or other theft of public money; perjury; or conspiracy or the attempt to commit any of these crimes. The bill would apply only to members of the elected class who hold state office positions normally filled by statewide elections and to members of the Legislature. Members of the Judicial Retirement System - Plan One and the Judicial Retirement System - Plan Two would be excluded from the bill's provisions. The bill would apply only to those elected members who commit a qualifying felony on or after the effective date of the bill. The bill would also repeal Article 6220 of Texas Revised Statutes.

Members ineligible to receive a service retirement annuity would be entitled to a refund of their retirement annuity contributions, including interest earned on those contributions, and would still have a right to any other retirement benefit for which they are eligible, such as health insurance. Benefits payable to alternate payees would not be affected by a member's ineligibility resulting from the bill's provisions. Although the retirement fund would lose the liability of having to pay these members' future annuities, creating some savings to the fund, the bill is not anticipated to have a significant impact on the fund due to the relatively small number of individuals assumed to be affected by it. It is anticipated that any additional administrative costs associated with implementation of the legislation could be absorbed within existing resources.

The bill would take effect September 1, 2011.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 327 Employees Retirement System

LBB Staff: JOB, AG, MS, DEH, KJG