

BILL ANALYSIS

C.S.H.B. 626
By: Harper-Brown
Pensions
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Interested parties assert that some part-time municipal employees who desire to work more than 20 hours a week are prevented from doing so because taxpayers in the municipality cannot afford the employees' enrollment in the Texas Municipal Retirement System. C.S.H.B. 626 seeks to address this issue by changing certain eligibility requirements for participation in the retirement system.

RULEMAKING AUTHORITY

It is the committee's opinion that rulemaking authority is expressly granted to the board of trustees of the Texas Municipal Retirement System in SECTION 2 of this bill.

ANALYSIS

C.S.H.B. 626 amends the Government Code to authorize the governing body of a municipality participating in the Texas Municipal Retirement System (TMRS) to adopt an alternative definition of "employee" for TMRS purposes that increases the number of hours a person in an appointive office or position, other than a person employed by the municipality as a law enforcement officer or firefighter, is normally required to serve from not less than 1,000 hours a year to not less than 1,500 hours a year. The bill requires the ordinance to designate an effective date of the ordinance and limits the ordinance's application to an employee of the participating municipality who is hired on or after the ordinance's effective date. The bill establishes that the earliest permissible effective date of such an ordinance is the first day of the next month following the first full calendar month following the date the participating municipality provides notice and a copy of the ordinance to TMRS. The bill authorizes the TMRS board of trustees to adopt rules limiting the frequency with which participating municipalities may adopt alternative definitions of "employee" through adoption of an ordinance for such purposes or through modification or repeal of an ordinance adopted for such purposes.

EFFECTIVE DATE

September 1, 2013.

COMPARISON OF ORIGINAL AND SUBSTITUTE

While C.S.H.B. 626 may differ from the original in minor or nonsubstantive ways, the following comparison is organized and highlighted in a manner that indicates the substantial differences between the introduced and committee substitute versions of the bill.

INTRODUCED	HOUSE COMMITTEE SUBSTITUTE
SECTION 1. Section 851.001(8), Government Code, is amended to read as	SECTION 1. Section 851.001(8), Government Code, is amended to read as

83R 19590

13.88.707

Substitute Document Number: 83R 16687

follows:

(8) "Employee" means a person, including a person serving a period of probationary employment, who receives compensation from and is certified by a municipality as being regularly engaged in the performance of duties of:

(A) an appointive office or position that normally requires services from the person for not less than 1,500 ~~[1,000]~~ hours a year; or

(B) an elective office that normally requires services from the person for not less than 1,000 hours a year, in a municipality that began participating in the retirement system after December 31, 1981, or that has adopted a membership requirement under Section 852.107.

No equivalent provision.

follows:

(8) "Employee" means a person, including a person serving a period of probationary employment, who receives compensation from and is certified by a municipality as being regularly engaged in the performance of duties of:

(A) an appointive office or position that normally requires services from the person for not less than 1,000 hours a year or the number of hours required by an ordinance adopted under Section 851.0011; or

(B) an elective office that normally requires services from the person for not less than 1,000 hours a year, in a municipality that began participating in the retirement system after December 31, 1981, or that has adopted a membership requirement under Section 852.107.

SECTION 2. Subchapter A, Chapter 851, Government Code, is amended by adding Section 851.0011 to read as follows:

Sec. 851.0011. OPTIONAL ALTERNATIVE DEFINITION OF

EMPLOYEE. (a) The governing body of a participating municipality by ordinance may adopt an alternative definition of "employee" for purposes of this subtitle that increases the number of hours a person in an appointive office or position, other than a person employed by the municipality as a law enforcement officer or firefighter, is normally required to serve under Section 851.001(8)(A) from not less than 1,000 hours a year to not less than 1,500 hours a year.

(b) An ordinance under this section:

(1) subject to Subsection (c), must designate an effective date of the ordinance; and

(2) may apply only to an employee of the participating municipality who is hired on or after the effective date of the ordinance.

(c) The earliest permissible effective date of an ordinance under this section is the first day of the next month following the first full calendar month following the date the participating municipality provides notice and a copy of the ordinance to the retirement system.

(d) The board of trustees may adopt rules limiting the frequency with which participating municipalities may adopt

alternative definitions of "employee"
through:
(1) adoption of an ordinance under
Subsection (a); or
(2) modification or repeal of an ordinance
adopted under Subsection (a).

SECTION 2. The change in law made by this Act applies to a person who is an employee under Section 851.001(8), Government Code, as amended by this Act, without regard to whether the person was hired before, on, or after the effective date of this Act.

No equivalent provision.

SECTION 3. This Act takes effect September 1, 2013.

SECTION 3. Same as introduced version.