

BILL ANALYSIS

S.B. 1413
By: Deuell
Pensions
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Interested parties contend that the Texas Local Fire Fighters Retirement Act needs to be updated to improve the effectiveness of local boards of trustees and to remove provisions that hinder the ability of municipalities and other political subdivisions covered by the act to administer local firefighters' pension funds. The parties point out that the act helps local firefighters who do not receive retirement benefits under another state law. S.B. 1413 seeks to improve local firefighter pension systems by amending current law relating to the administration of retirement systems for paid, partly paid, or volunteer firefighters.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

S.B. 1413 amends the Texas Local Fire Fighters Retirement Act (Article 6243e, Vernon's Texas Civil Statutes) to include the president of the board of emergency services commissioners as a member of the board of trustees of the fire fighters' retirement system for an emergency services district subject to the act that has a fire department that does not consist exclusively of volunteers. The bill removes the condition that the two persons elected to the board by a majority vote of the members of the board reside in the municipality or other political subdivision or within the extraterritorial jurisdiction of the municipality, as applicable. The bill authorizes a person to be elected by acclamation by the participating members of a fire fighters' retirement system present for the election meeting without the necessity of a secret ballot if only one person is nominated for the board position elected by those participating members. The bill repeals provisions that require the secretary of a board of trustees to forward accurate copies of the minutes of a board meeting to each fire station and to each division of the fire department.

S.B. 1413 makes the caps on the annual amount of payments for expenses incurred by the retirement system calculable based on the market value, rather than book value, of the assets of the retirement system's fund. The bill removes the requirement that each municipality or other political subdivision picking up employee contributions to the retirement system continue to compute federal income tax withholding on the contributions as if the contributions were employee wages the fire fighters' pension commissioner files with the secretary of state a notice relating to an IRS determination or federal court ruling that the contributions are not includable in the gross income of a member until they are distributed or made available. The bill also removes a condition relating to notice being filed with the secretary of state by the pension commissioner regarding an IRS determination that the system's plan is a qualified retirement plan and that its related trust is tax exempt from provisions establishing the date that a pick up of employee contributions in a municipality or other political subdivision takes effect.

S.B. 1413 repeals Section 19(e), Texas Local Fire Fighters Retirement Act (Article 6243e, Vernon's Texas Civil Statutes).

EFFECTIVE DATE

On passage, or, if the bill does not receive the necessary vote, September 1, 2013.