

AN ACT

relating to the continuation and functions of the State Pension Review Board.

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

SECTION 1. Subsection (a), Section 801.102, Government Code, is amended to read as follows:

(a) The board is composed of seven ~~[nine]~~ members.

SECTION 2. Section 801.1021, Government Code, is amended to read as follows:

Sec. 801.1021. CONFLICT PROVISIONS. (a) In this section, "Texas trade association" means a cooperative and voluntarily joined statewide association of business or professional competitors in this state designed to assist its members and its industry or profession in dealing with mutual business or professional problems and in promoting their common interest.

(b) A person is not eligible for appointment as a member of the board if the person or the person's spouse:

(1) is employed by or participates in the management of a business entity or other organization receiving funds from the board;

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

(3) uses or receives a substantial amount of tangible

1 goods, services, or funds from the board, other than compensation  
2 or reimbursement authorized by law for board membership,  
3 attendance, or expenses.

4 (c) ~~[(b)]~~ A person may not serve as a member of the board or  
5 act as the general counsel to the board if the person is required to  
6 register as a lobbyist under Chapter 305 because of the person's  
7 activities for compensation on behalf of a profession related to  
8 the operation of the board.

9 (d) A person may not be a member of the board and may not be a  
10 board employee employed in a "bona fide executive, administrative,  
11 or professional capacity," as that phrase is used for purposes of  
12 establishing an exemption to the overtime provisions of the federal  
13 Fair Labor Standards Act of 1938 (29 U.S.C. Section 201 et seq.),  
14 if:

15 (1) the person is an officer, employee, or paid  
16 consultant of a Texas trade association in the field of pensions; or

17 (2) the person's spouse is an officer, manager, or paid  
18 consultant of a Texas trade association in the field of pensions.

19 SECTION 3. Section 801.106, Government Code, is amended to  
20 read as follows:

21 Sec. 801.106. TERMS OF OFFICE. Members of the board hold  
22 office for staggered terms of six years, with the terms of two or  
23 three members, as appropriate, expiring on January 31 of each  
24 odd-numbered year.

25 SECTION 4. Subsection (a), Section 801.1061, Government  
26 Code, is amended to read as follows:

27 (a) It is a ground for removal from the board that a member:

1           (1) does not have at the time of taking office the  
2 qualifications required by Section 801.103 [~~or 801.104~~];

3           (2) does not maintain during service on the board the  
4 qualifications required by Section 801.103 [~~or 801.104~~];

5           (3) is ineligible for membership under Section  
6 801.1021;

7           (4) cannot, because of illness or disability,  
8 discharge the member's duties for a substantial part of the member's  
9 term; or

10          (5) is absent from more than half of the regularly  
11 scheduled board meetings that the member is eligible to attend  
12 during a calendar year without an excuse approved by a majority vote  
13 of the board.

14          SECTION 5. Section 801.107, Government Code, is amended to  
15 read as follows:

16          Sec. 801.107. SUNSET PROVISION. The State Pension Review  
17 Board is subject to Chapter 325 (Texas Sunset Act). Unless  
18 continued in existence as provided by that chapter, the board is  
19 abolished and this chapter expires September 1, 2025 [~~2013~~].

20          SECTION 6. Subchapter C, Chapter 801, Government Code, is  
21 amended by adding Section 801.2012 to read as follows:

22          Sec. 801.2012. NEGOTIATED RULEMAKING AND ALTERNATIVE  
23 DISPUTE RESOLUTION PROCEDURES. (a) The board shall develop and  
24 implement a policy to encourage the use of:

25                 (1) negotiated rulemaking procedures under Chapter  
26 2008 for the adoption of board rules; and

27                 (2) appropriate alternative dispute resolution

1 procedures under Chapter 2009 to assist in the resolution of  
2 internal and external disputes under the board's jurisdiction.

3 (b) The board's procedures relating to alternative dispute  
4 resolution must conform, to the extent possible, to any model  
5 guidelines issued by the State Office of Administrative Hearings  
6 for the use of alternative dispute resolution by state agencies.

7 (c) The board shall:

8 (1) coordinate the implementation of the policy  
9 adopted under Subsection (a);

10 (2) provide training as needed to implement the  
11 procedures for negotiated rulemaking or alternative dispute  
12 resolution; and

13 (3) collect data concerning the effectiveness of those  
14 procedures.

15 SECTION 7. Subchapter C, Chapter 801, Government Code, is  
16 amended by adding Section 801.208 to read as follows:

17 Sec. 801.208. EDUCATION AND TRAINING. As authorized by  
18 Section 801.113(e), the board may develop and conduct training  
19 sessions and other educational activities for trustees and  
20 administrators of public retirement systems. In exercising the  
21 board's authority under this section, the board may:

22 (1) conduct live training seminars on an Internet  
23 website at intervals the board considers necessary to keep trustees  
24 and administrators reasonably informed;

25 (2) maintain archives of previous seminars reasonably  
26 accessible to trustees and administrators on the Internet website;  
27 and

1           (3) use technologies and innovations the board  
2 considers appropriate to educate the greatest practicable number of  
3 trustees and administrators.

4           SECTION 8. Section 802.001, Government Code, is amended by  
5 adding Subdivision (1-a) to read as follows:

6           (1-a) "Defined contribution plan" means a plan  
7 provided by the governing body of a public retirement system that  
8 provides for an individual account for each participant and for  
9 benefits based solely on the amount contributed to the  
10 participant's account, and any income, expenses, gains and losses,  
11 and any forfeitures of accounts of other participants that may be  
12 allocated to the participant's account.

13          SECTION 9. Section 802.002, Government Code, is amended by  
14 amending Subsection (b) and adding Subsections (c) and (d) to read  
15 as follows:

16          (b) If a public ~~[an exempt]~~ retirement system or program  
17 that is exempt under Subsection (a) is required by law to make an  
18 actuarial valuation of the assets of the system or program and  
19 publish actuarial information about the system or program, the  
20 actuary making the valuation and the governing body publishing the  
21 information must include the information required by Section  
22 802.101(b).

23          (c) Notwithstanding any other law, a defined contribution  
24 plan is exempt from Sections 802.101, 802.1012, 802.1014, 802.103,  
25 802.104, and 802.202(d). This subsection may not be construed to  
26 exempt any plan from Section 802.105 or 802.106(h).

27          (d) Notwithstanding any other law, a retirement system that

1 is organized under the Texas Local Fire Fighters Retirement Act  
2 (Article 6243e, Vernon's Texas Civil Statutes) for a fire  
3 department consisting exclusively of volunteers as defined by that  
4 Act is exempt from Sections 802.101, 802.1012, 802.1014, 802.102,  
5 802.103, 802.104, and 802.202(d). This subsection may not be  
6 construed to exempt any plan from Section 802.105 or 802.106(h).

7 SECTION 10. Subchapter B, Chapter 802, Government Code, is  
8 amended by adding Section 802.1014 to read as follows:

9 Sec. 802.1014. ACTUARIAL EXPERIENCE STUDY. (a) In this  
10 section, "actuarial experience study" means a study in which  
11 actuarial assumptions are reviewed in light of relevant experience  
12 factors, important trends, and economic projections with the  
13 purpose of determining whether actuarial assumptions require  
14 adjustment.

15 (b) Except as provided by Subsection (c), a public  
16 retirement system that conducts an actuarial experience study shall  
17 submit to the board a copy of the actuarial experience study before  
18 the 31st day after the date of the study's adoption.

19 (c) This section does not apply to the Employees Retirement  
20 System of Texas, the Teacher Retirement System of Texas, the Texas  
21 County and District Retirement System, the Texas Municipal  
22 Retirement System, or the Judicial Retirement System of Texas Plan  
23 Two.

24 SECTION 11. Section 802.102, Government Code, is amended to  
25 read as follows:

26 Sec. 802.102. AUDIT. The governing body of a public  
27 retirement system shall have the accounts of the system audited at

1 least annually by a certified public accountant in accordance with  
2 generally accepted auditing standards. A general audit of a  
3 governmental entity, as defined by Section 802.1012, does not  
4 satisfy the requirement of this section.

5 SECTION 12. Section 802.103, Government Code, is amended by  
6 adding Subsection (d) to read as follows:

7 (d) A general audit of a governmental entity, as defined by  
8 Section 802.1012, does not satisfy the requirement of this section.

9 SECTION 13. Subsection (h), Section 802.106, Government  
10 Code, is amended to read as follows:

11 (h) A public retirement system shall submit to the board  
12 ~~[State Pension Review Board]~~ copies of the summarized information  
13 required by Subsections (a) and (b) ~~[. A system shall submit a copy~~  
14 ~~of the information required by Subsection (a)]~~ before the 31st day  
15 after the date of publication or ~~[and a copy of the information~~  
16 ~~required by Subsection (b) before the 271st day after]~~ the date a  
17 change is adopted, as appropriate.

18 SECTION 14. (a) Subtitle A, Title 8, Government Code, is  
19 amended by adding Chapter 807 to read as follows:

20 CHAPTER 807. PROHIBITION ON INVESTMENT IN IRAN

21 SUBCHAPTER A. GENERAL PROVISIONS

22 Sec. 807.001. DEFINITIONS. In this chapter:

23 (1) "Active business operations" means all business  
24 operations that are not inactive business operations.

25 (2) "Board" means the State Pension Review Board.

26 (3) "Business operations" means engaging in commerce  
27 in any form in Iran, including by acquiring, developing,

1 maintaining, owning, selling, possessing, leasing, or operating  
2 equipment, facilities, personnel, products, services, personal  
3 property, real property, or any other apparatus of business or  
4 commerce.

5           (4) "Company" means a sole proprietorship,  
6 organization, association, corporation, partnership, joint  
7 venture, limited partnership, limited liability partnership,  
8 limited liability company, or other entity or business association  
9 whose securities are publicly traded, including a wholly owned  
10 subsidiary, majority-owned subsidiary, parent company, or  
11 affiliate of those entities or business associations, that exists  
12 to make a profit.

13           (5) "Direct holdings" means, with respect to a  
14 company, all securities of that company held directly by a state  
15 governmental entity in an account or fund in which a state  
16 governmental entity owns all shares or interests.

17           (6) "Inactive business operations" means the mere  
18 continued holding or renewal of rights to property previously  
19 operated to generate revenue but not presently deployed to generate  
20 revenue.

21           (7) "Indirect holdings" means, with respect to a  
22 company, all securities of that company held in an account or fund,  
23 such as a mutual fund, managed by one or more persons not employed  
24 by a state governmental entity, in which the state governmental  
25 entity owns shares or interests together with other investors not  
26 subject to the provisions of this chapter. The term does not  
27 include money invested under a plan described by Section 401(k) or

457 of the Internal Revenue Code of 1986.

(8) "Listed company" means a company listed by the board under Section 807.051.

(9) "Military equipment" means weapons, arms, military supplies, and equipment that readily may be used for military purposes, including radar systems and military-grade transport vehicles.

(10) "Scrutinized company" means a company that engages in scrutinized business operations described by Section 807.002.

(11) "State governmental entity" means:

(A) the Employees Retirement System of Texas, including a retirement system administered by that system;

(B) the Teacher Retirement System of Texas;

(C) the Texas Municipal Retirement System;

(D) the Texas County and District Retirement System; and

(E) the Texas Emergency Services Retirement System.

Sec. 807.002. SCRUTINIZED BUSINESS OPERATIONS. A company engages in scrutinized business operations if:

(1) the company has business operations that involve contracts with or providing supplies or services to the government of Iran, a company in which the government of Iran has any direct or indirect equity share, a consortium or project commissioned by the government of Iran, or a company involved in a consortium or project commissioned by the government of Iran; or

1           (2) the company supplies military equipment to Iran.

2           Sec. 807.003. EXCEPTION. Notwithstanding any provision of  
3 this chapter, a company that the United States government  
4 affirmatively declares to be excluded from its federal sanctions  
5 regime relating to Iran is not subject to divestment or the  
6 investment prohibition under this chapter.

7           Sec. 807.004. OTHER LEGAL OBLIGATIONS. With respect to  
8 actions taken in compliance with this chapter, including all good  
9 faith determinations regarding companies as required by this  
10 chapter, a state governmental entity is exempt from any conflicting  
11 statutory or common law obligations, including any obligations with  
12 respect to making investments, divesting from any investment,  
13 preparing or maintaining any list of companies, or choosing asset  
14 managers, investment funds, or investments for the state  
15 governmental entity's securities portfolios.

16           Sec. 807.005. INDEMNIFICATION OF STATE GOVERNMENTAL  
17 ENTITIES, EMPLOYEES, AND OTHERS. In a cause of action based on an  
18 action, inaction, decision, divestment, investment, company  
19 communication, report, or other determination made or taken in  
20 connection with this chapter, the state shall, without regard to  
21 whether the person performed services for compensation, indemnify  
22 and hold harmless for actual damages, court costs, and attorney's  
23 fees adjudged against, and defend:

24           (1) an employee, a member of the governing body, or any  
25 other officer of a state governmental entity;

26           (2) a contractor of a state governmental entity;

27           (3) a former employee, a former member of the

1 governing body, or any other former officer of a state governmental  
2 entity who was an employee or officer when the act or omission on  
3 which the damages are based occurred;

4 (4) a former contractor of a state governmental entity  
5 who was a contractor when the act or omission on which the damages  
6 are based occurred; and

7 (5) a state governmental entity.

8 Sec. 807.006. NO PRIVATE CAUSE OF ACTION. (a) A person,  
9 including a member, retiree, or beneficiary of a retirement system  
10 to which this chapter applies, an association, a research firm, a  
11 company, or any other person may not sue or pursue a private cause  
12 of action against the state, a state governmental entity, an  
13 employee, a member of the governing body, or any other officer of a  
14 state governmental entity, or a contractor of a state governmental  
15 entity, for any claim or cause of action, including breach of  
16 fiduciary duty, or for violation of any constitutional, statutory,  
17 or regulatory requirement in connection with any action, inaction,  
18 decision, divestment, investment, company communication, report,  
19 or other determination made or taken in connection with this  
20 chapter.

21 (b) A person who files suit against the state, a state  
22 governmental entity, an employee, a member of the governing body,  
23 or any other officer of a state governmental entity, or a contractor  
24 of a state governmental entity, is liable for paying the costs and  
25 attorney's fees of a person sued in violation of this section.

26 Sec. 807.007. INAPPLICABILITY OF REQUIREMENTS INCONSISTENT  
27 WITH FIDUCIARY RESPONSIBILITIES AND RELATED DUTIES. A state

governmental entity is not subject to a requirement of this chapter if the state governmental entity determines that the requirement would be inconsistent with its fiduciary responsibility with respect to the investment of entity assets or other duties imposed by law relating to the investment of entity assets, including the duty of care established under Section 67, Article XVI, Texas Constitution.

Sec. 807.008. RELIANCE ON COMPANY RESPONSE. The board and a state governmental entity may rely on a company's response to a notice or communication made under this chapter without conducting any further investigation, research, or inquiry.

#### SUBCHAPTER B. DUTIES REGARDING INVESTMENTS

Sec. 807.051. LISTED COMPANIES. (a) The board shall prepare and maintain, and provide to each state governmental entity, a list of all scrutinized companies. In maintaining the list, the board may review and rely, as appropriate in the board's judgment, on publicly available information regarding companies with business operations in Iran, including information provided by the state, nonprofit organizations, research firms, international organizations, and governmental entities.

(b) The board shall update the list annually or more often as the board considers necessary, but not more often than quarterly, based on information from, among other sources, those listed in Subsection (a).

(c) Not later than the 30th day after the date the list of scrutinized companies is first provided or updated, the board shall file the list with the presiding officer of each house of the

1 legislature and the attorney general.

2 Sec. 807.052. IDENTIFICATION OF INVESTMENT IN LISTED  
3 COMPANIES. Not later than the 14th day after the date a state  
4 governmental entity receives the list provided under Section  
5 807.051, the state governmental entity shall notify the board of  
6 the listed companies in which the state governmental entity owns  
7 direct holdings or indirect holdings.

8 Sec. 807.053. NOTICE TO LISTED COMPANY ENGAGED IN INACTIVE  
9 BUSINESS OPERATIONS. For each listed company identified under  
10 Section 807.052 that is engaged in only scrutinized inactive  
11 business operations, the state governmental entity shall send a  
12 written notice informing the company of this chapter and  
13 encouraging the company to continue to refrain from initiating  
14 active business operations in Iran until it is able to avoid being  
15 considered a listed company. The state governmental entity shall  
16 continue the correspondence as the entity, in its sole discretion,  
17 considers necessary, but is not required to initiate correspondence  
18 more often than semiannually.

19 Sec. 807.054. ACTIONS RELATING TO LISTED COMPANY ENGAGED IN  
20 ACTIVE BUSINESS OPERATIONS. (a) For each listed company  
21 identified under Section 807.052 that is engaged in scrutinized  
22 active business operations, the state governmental entity shall  
23 send a written notice informing the company of its listed company  
24 status and warning the company that it may become subject to  
25 divestment by state governmental entities.

26 (b) The notice must offer the company the opportunity to  
27 clarify its Iran-related activities and must encourage the company,

not later than the 90th day after the date the company receives notice under this section, to either cease its scrutinized business operations or convert the operations to inactive business operations in order to avoid qualifying for divestment by state governmental entities.

(c) If, during the time provided by Subsection (b), the company ceases scrutinized business operations, the board shall remove the company from the list maintained under Section 807.051 and this chapter will no longer apply to the company unless it resumes scrutinized business operations.

(d) If, during the time provided by Subsection (b), the company converts its scrutinized active business operations to inactive business operations, the company is subject to all provisions of this chapter relating to inactive business operations.

(e) If, after the time provided by Subsection (b) expires, the company continues to have scrutinized active business operations, the state governmental entity shall sell, redeem, divest, or withdraw all publicly traded securities of the company, except securities described by Section 807.056, according to the schedule provided by Section 807.055.

Sec. 807.055. DIVESTMENT OF ASSETS. (a) A state governmental entity required to sell, redeem, divest, or withdraw all publicly traded securities of a listed company shall comply with the following schedule:

(1) at least 50 percent of those assets must be removed from the state governmental entity's assets under management not

later than the 270th day after the date the company receives notice under Section 807.054 or Subsection (b) unless the state governmental entity determines, based on a good faith exercise of its fiduciary discretion and subject to Subdivision (2), that a later date is more prudent; and

(2) 100 percent of those assets must be removed from the state governmental entity's assets under management not later than the 450th day after the date the company receives notice under Section 807.054 or Subsection (b).

(b) If a company that ceased scrutinized active business operations after receiving notice under Section 807.054 resumes scrutinized active business operations, the state governmental entity shall send a written notice to the company informing it that the state governmental entity will sell, redeem, divest, or withdraw all publicly traded securities of the scrutinized company according to the schedule in Subsection (a).

(c) Except as provided by Subsection (a), a state governmental entity may delay the schedule for divestment under that subsection only to the extent that the state governmental entity determines, in the state governmental entity's good faith judgment, that divestment from listed companies will likely result in a loss in value or a benchmark deviation described by Section 807.057(a). If a state governmental entity delays the schedule for divestment, the state governmental entity shall submit a report to the presiding officer of each house of the legislature and the attorney general stating the reasons and justification for the state governmental entity's delay in divestment from listed

companies. The report must include documentation supporting its determination that the divestment would result in a loss in value or benchmark deviation described by Section 807.057(a), including objective numerical estimates. The state governmental entity shall update the report every six months.

Sec. 807.056. INVESTMENTS EXEMPTED FROM DIVESTMENT. A state governmental entity is not required to divest from any indirect holdings in actively or passively managed investment funds or private equity funds. The state governmental entity shall submit letters to the managers of investment funds containing listed companies requesting that they consider removing those companies from the fund or create a similar actively or passively managed fund with indirect holdings devoid of listed companies. If the manager creates a similar fund with substantially the same management fees and same level of investment risk and anticipated return, the state governmental entity may replace all applicable investments with investments in the similar fund in a time frame consistent with prudent fiduciary standards.

Sec. 807.057. AUTHORIZED INVESTMENT IN LISTED COMPANIES. (a) A state governmental entity may cease divesting from or may reinvest in one or more listed companies if clear and convincing evidence shows that:

(1) the state governmental entity has suffered or will suffer a loss in the hypothetical value of all assets under management by the state governmental entity as a result of having to divest from listed companies under this chapter; or

(2) an individual portfolio that uses a

1 benchmark-aware strategy would be subject to an aggregate expected  
2 deviation from its benchmark as a result of having to divest from  
3 listed companies under this chapter.

4 (b) A state governmental entity may cease divesting from or  
5 may reinvest in a listed company as provided by this section only to  
6 the extent necessary to ensure that the state governmental entity  
7 does not suffer a loss in value or deviate from its benchmark as  
8 described by Subsection (a).

9 (c) Before a state governmental entity may cease divesting  
10 from or may reinvest in a listed company under this section, the  
11 state governmental entity must provide a written report to the  
12 presiding officer of each house of the legislature and the attorney  
13 general setting forth the reason and justification, supported by  
14 clear and convincing evidence, for its decisions to cease  
15 divestment, to reinvest, or to remain invested in a listed company.

16 (d) The state governmental entity shall update the report  
17 required by Subsection (c) semiannually, as applicable.

18 (e) This section does not apply to reinvestment in a company  
19 that is no longer a listed company.

20 Sec. 807.058. PROHIBITED INVESTMENTS. Except as provided  
21 by Sections 807.003 and 807.057, a state governmental entity may  
22 not acquire securities of a listed company.

23 SUBCHAPTER C. EXPIRATION; REPORT; ENFORCEMENT

24 Sec. 807.101. EXPIRATION OF CHAPTER. This chapter expires  
25 on the earlier of:

26 (1) the date the United States revokes its sanctions  
27 against the government of Iran; or

1           (2) the date the United States Congress or the  
2 president of the United States, through legislation or executive  
3 order, declares that mandatory divestment of the type provided for  
4 in this chapter interferes with the conduct of United States  
5 foreign policy.

6           Sec. 807.102. REPORT. Not later than December 31 of each  
7 year, each state governmental entity shall file a publicly  
8 available report with the presiding officer of each house of the  
9 legislature and the attorney general that:

10           (1) identifies all securities sold, redeemed,  
11 divested, or withdrawn in compliance with Section 807.055;

12           (2) identifies all prohibited investments under  
13 Section 807.058; and

14           (3) summarizes any changes made under Section 807.056.

15           Sec. 807.103. ENFORCEMENT. The attorney general may bring  
16 any action necessary to enforce this chapter.

17           (b) Not later than January 1, 2014, the State Pension Review  
18 Board shall prepare and provide to each state governmental entity,  
19 as defined by Section 807.001, Government Code, as added by this  
20 Act, the list of scrutinized companies required by Section 807.051,  
21 Government Code, as added by this Act.

22           (c) Notwithstanding any other provision of this Act, this  
23 section takes effect January 1, 2014.

24           SECTION 15. (a) Sections 22 and 22A, Texas Local Fire  
25 Fighters Retirement Act (Article 6243e, Vernon's Texas Civil  
26 Statutes), are amended to read as follows:

27           Sec. 22. APPEALS FROM LOCAL BOARD DECISIONS. (a) A person

aggrieved by a decision of a board of trustees relating to eligibility for or amount of benefits payable by a retirement system may appeal the decision to the State Office of Administrative Hearings [~~fire fighters' pension commissioner~~].

(b) An appeal under this section is begun by delivering a notice of appeal with the chairman, secretary, or secretary-treasurer of the board of trustees that made the decision. The notice must be delivered not later than the 20th day after the date of the decision and contain a brief description of the reasons or grounds for appeal. The aggrieved person must file a copy of the notice with the State Pension Review Board [~~fire fighters' pension commissioner~~].

(b-1) As soon as practicable after receiving a notice of appeal under Subsection (b) of this section the State Pension Review Board shall refer the matter to the State Office of Administrative Hearings by submitting notice of the appeal to that office.

(c) An appeal under this section [~~to the fire fighters' pension commissioner~~] is held in Austin and is a contested case under Chapter 2001, Government Code, [~~the Administrative Procedure and Texas Register Act (Article 6252-13a, Vernon's Texas Civil Statutes)~~] conducted as a de novo hearing by the State Office of Administrative Hearings.

Sec. 22A. ATTORNEY. A board of trustees may employ an attorney to represent the board in one or all legal matters, including a hearing on appeal to the State Office of Administrative Hearings [~~fire fighters' pension commissioner~~]. At the request of

1 a board of trustees, the city attorney of the municipality of which  
2 the board is a part shall, without additional compensation,  
3 represent the board in one or all legal matters.

4 (b) Subsection (a) of this section takes effect only on the  
5 failure of legislation by the 83rd Legislature, Regular Session,  
6 2013, providing for the abolition of the office of the fire  
7 fighters' pension commissioner and the transfer and disposition of  
8 its functions relating to the Texas Emergency Services Retirement  
9 System and the Texas local firefighters retirement systems to  
10 become law.

11 SECTION 16. Subsection (h), Section 28, Texas Local Fire  
12 Fighters Retirement Act (Article 6243e, Vernon's Texas Civil  
13 Statutes), is amended to read as follows:

14 (h) A retirement system established under this Act is exempt  
15 from Subchapter C, Chapter 802, Government Code, except Sections  
16 802.202, 802.205, and 802.207.

17 SECTION 17. Section 801.104 and Subsection (c), Section  
18 802.103, Government Code, are repealed.

19 SECTION 18. (a) The change in law made by this Act to  
20 Section 801.1021, Government Code, regarding prohibitions on  
21 members of the State Pension Review Board does not affect the  
22 entitlement of a member serving on the board immediately before  
23 September 1, 2013, to continue to serve and function as a member of  
24 the board for the remainder of the member's term. The change in law  
25 made to that section applies only to a member appointed on or after  
26 September 1, 2013.

27 (b) Section 802.1014, Government Code, as added by this Act,

1 applies only to an actuarial experience study conducted on or after  
2 the effective date of this Act. An actuarial experience study  
3 conducted before the effective date of this Act is governed by the  
4 law in effect immediately before that date, and that law is  
5 continued in effect for that purpose.

6 (c) Section 802.102, Government Code, as amended by this  
7 Act, is intended to clarify existing law with respect to the audit  
8 required by that section.

9 (d) Subsection (d), Section 802.103, Government Code, as  
10 added by this Act, is intended to clarify existing law with respect  
11 to the annual financial report required by Section 802.103,  
12 Government Code.

13 (e) Subsection (h), Section 802.106, Government Code, as  
14 amended by this Act, applies only to a change in statutes or  
15 ordinances governing a retirement system described by Subsection  
16 (b), Section 802.106, Government Code, that is adopted on or after  
17 the effective date of this Act. A change in statutes or ordinances  
18 that is adopted before the effective date of this Act is governed by  
19 the law in effect immediately before that date, and that law is  
20 continued in effect for that purpose.

21 SECTION 19. (a) A person who is serving as a member of the  
22 State Pension Review Board appointed under Section 801.103,  
23 Government Code, on the effective date of this Act continues to  
24 serve until the person's term expires.

25 (b) The governor shall make appointments to fill vacancies  
26 on the State Pension Review Board so that board members' terms of  
27 office expire in compliance with Section 801.106, Government Code,

1 as amended by this Act, and, if necessary for compliance with that  
2 section, a person may be appointed to a term of office that expires  
3 in less than six years.

4 (c) The term of a person who is serving as a member of the  
5 State Pension Review Board appointed under Section 801.104,  
6 Government Code, expires on the effective date of this Act.

7 SECTION 20. Contingent on the failure of legislation by the  
8 83rd Legislature, Regular Session, 2013, providing for the  
9 abolition of the office of the fire fighters' pension commissioner  
10 and the transfer and disposition of its functions relating to the  
11 Texas Emergency Services Retirement System and the Texas local  
12 firefighters retirement systems to become law, the State Pension  
13 Review Board shall provide any necessary assistance, including  
14 educational training, technical assistance, and other information  
15 to retirement systems organized under the Texas Local Fire Fighters  
16 Retirement Act (Article 6243e, Vernon's Texas Civil Statutes).

17 SECTION 21. This Act takes effect September 1, 2013.

<hr style="border: none; border-top: 1px solid black; margin-bottom: 5px;"/> <div>President of the Senate</div>	<hr style="border: none; border-top: 1px solid black; margin-bottom: 5px;"/> <div>Speaker of the House</div>
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I hereby certify that S.B. No. 200 passed the Senate on April 2, 2013, by the following vote: Yeas 31, Nays 0; May 7, 2013, Senate refused to concur in House amendments and requested appointment of Conference Committee; May 8, 2013, House granted request of the Senate; May 24, 2013, Senate adopted Conference Committee Report by the following vote: Yeas 31, Nays 0.

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Secretary of the Senate

I hereby certify that S.B. No. 200 passed the House, with amendments, on April 26, 2013, by the following vote: Yeas 138, Nays 0, two present not voting; May 8, 2013, House granted request of the Senate for appointment of Conference Committee; May 24, 2013, House adopted Conference Committee Report by the following vote: Yeas 145, Nays 0, two present not voting.

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Chief Clerk of the House

Approved:

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Date

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Governor