

AN ACT

relating to contributions to certain fire and police pension funds.

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

SECTION 1. Section 14, Chapter 101 (H.B. 31), Acts of the 43rd Legislature, 1st Called Session, 1933 (Article 6243b, Vernon's Texas Civil Statutes), is amended to read as follows:

Sec. 14. USE OF PUBLIC FUNDS. Except as provided by Section 14A of this Act, no ~~[No]~~ funds shall be paid out of the public treasury of any such incorporated city or town, in carrying out any of the provisions of this law, except on a majority vote of the voters of such city or town, and where such funds have been voted on as provided by law, said city or town shall contribute such amount.

SECTION 2. Subsection (a), Section 14A, Chapter 101 (H.B. 31), Acts of the 43rd Legislature, 1st Called Session, 1933 (Article 6243b, Vernon's Texas Civil Statutes), is amended to read as follows:

(a) If at any time a qualified actuary that meets the requirements of Subdivision (1), Subsection (b), Section 10A of this Act, determines that the total contribution rate, expressed as a percentage of wages, is insufficient to amortize the unfunded actuarial accrued liability, as defined under the Governmental Accounting Standards Board Statement No. 25, over a 40-year period ~~[not to exceed forty (40) years]~~:

(1) the city's or town's governing body may increase

1 the city or town contribution rate; and

2 (2) to the extent that the city or town contribution
3 rate increases under Subdivision (1) of this subsection, the member
4 contribution rate must increase by an amount equal to the member
5 contribution rate before the increase multiplied by a fraction:

6 (A) the numerator of which is the increase in the
7 amount of the city or town contribution rate; and

8 (B) the denominator of which is the amount of the
9 city or town contribution rate before the increase.

10 SECTION 3. Chapter 101 (H.B. 31), Acts of the 43rd
11 Legislature, 1st Called Session, 1933 (Article 6243b, Vernon's
12 Texas Civil Statutes), is amended by adding Section 14B to read as
13 follows:

14 Sec. 14B. CONTRIBUTION DECREASES. (a) If at any time a
15 qualified actuary that meets the requirements of Section 10A(b)(1)
16 of this Act determines that the total contribution rate, expressed
17 as a percentage of wages, is sufficient to amortize the unfunded
18 actuarial accrued liability, as defined under the Governmental
19 Accounting Standards Board Statement No. 25, over a 25-year period:

20 (1) the city's or town's governing body may decrease
21 the city or town contribution rate; and

22 (2) to the extent that the city or town contribution
23 rate decreases under Subdivision (1) of this subsection, the member
24 contribution rate must decrease by an amount equal to the member
25 contribution rate before the decrease multiplied by a fraction:

26 (A) the numerator of which is the decrease in the
27 amount of the city or town contribution rate; and

1 (B) the denominator of which is the amount of the
2 city or town contribution rate before the decrease.

3 (b) The sum of the city or town contribution rate and the
4 member contribution rate after a decrease under this section may
5 not be less than the total contribution rate determined by the
6 qualified actuary to be necessary to amortize the unfunded
7 actuarial accrued liability over a 25-year period.

8 SECTION 4. This Act takes effect immediately if it receives
9 a vote of two-thirds of all the members elected to each house, as
10 provided by Section 39, Article III, Texas Constitution. If this
11 Act does not receive the vote necessary for immediate effect, this
12 Act takes effect September 1, 2013.

S.B. No. 1133

President of the Senate

Speaker of the House

I hereby certify that S.B. No. 1133 passed the Senate on April 25, 2013, by the following vote: Yeas 28, Nays 0.

Secretary of the Senate

I hereby certify that S.B. No. 1133 passed the House on May 8, 2013, by the following vote: Yeas 142, Nays 5, two present not voting.

Chief Clerk of the House

Approved:

Date

Governor