

1-1 By: Deuell S.B. No. 1413
1-2 (In the Senate - Filed March 7, 2013; March 18, 2013, read
1-3 first time and referred to Committee on State Affairs;
1-4 April 22, 2013, reported favorably by the following vote:
1-5 Yeas 9, Nays 0; April 22, 2013, sent to printer.)

1-6 COMMITTEE VOTE

1-7	Yea	Nay	Absent	PNV
1-8	X			
1-9	X			
1-10	X			
1-11	X			
1-12	X			
1-13	X			
1-14	X			
1-15	X			
1-16	X			

1-17 A BILL TO BE ENTITLED
1-18 AN ACT

1-19 relating to the administration of retirement systems for paid,
1-20 partly paid, or volunteer firefighters.

1-21 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-22 SECTION 1. Subsections (a) and (b), Section 19, Texas Local
1-23 Fire Fighters Retirement Act (Article 6243e, Vernon's Texas Civil
1-24 Statutes), are amended to read as follows:

1-25 (a) In each municipality and other political subdivision to
1-26 which this Act applies and that has a fire department that does not
1-27 consist exclusively of volunteers, the fire fighters' retirement
1-28 system is governed by a board of trustees consisting of:

1-29 (1) in a municipality, the mayor [of the municipality]
1-30 or the mayor's designated representative; in an emergency services
1-31 district, the president of the board of emergency services
1-32 commissioners; or in another political subdivision, the chief
1-33 operating officer [of the political subdivision] or the chief
1-34 operating officer's designated representative, as applicable;

1-35 (2) the chief financial officer of the municipality or
1-36 other political subdivision or, if there is no officer denominated
1-37 as chief financial officer, the person who performs the duties of
1-38 chief financial officer or a person designated by the chief
1-39 financial officer or by the person performing the duties of chief
1-40 financial officer;

1-41 (3) three members of the retirement system elected by
1-42 participating members as provided by Subsection (b) of this
1-43 section; and

1-44 (4) two persons who reside in this state ~~[in the~~
1-45 ~~municipality or other political subdivision or within the~~
1-46 ~~extraterritorial jurisdiction of the municipality]~~, who are not
1-47 officers or employees of the municipality or other political
1-48 subdivision, and who are elected by a majority vote of the members
1-49 of the board of trustees determined as provided by Subdivisions
1-50 (1), (2), and (3) of this subsection.

1-51 (b) During each period that begins on December 1 of one year
1-52 and ends on January 31 of the following year, the participating
1-53 members of a fire fighters' retirement system in a municipality or
1-54 other political subdivision subject to this section shall elect by
1-55 secret ballot and certify to the governing body of the municipality
1-56 or other political subdivision a member to the board of trustees to
1-57 serve a term of three years. To be elected a member of a board of
1-58 trustees under this subsection, a person must be a participating
1-59 member of the retirement system and receive a majority of the votes
1-60 cast in the election, and at least 50 percent of all participating
1-61 members of the retirement system must vote in the election.

2-1 Provided, however, that if only a single person is nominated for the
 2-2 board of trustees position being filled, that person may be elected
 2-3 by acclamation by those participating members present for the
 2-4 election meeting, without the necessity of a secret ballot.

2-5 SECTION 2. Subsection (b), Section 25, Texas Local Fire
 2-6 Fighters Retirement Act (Article 6243e, Vernon's Texas Civil
 2-7 Statutes), is amended to read as follows:

2-8 (b) The annual amount of payments from a fund under this
 2-9 section, excluding legal and medical fees, may not exceed:

2-10 (1) 1 percent of the market ~~[book]~~ value of the assets
 2-11 of the fund for the first \$1 million in market ~~[book]~~ value; and

2-12 (2) 1/4 of 1 percent of the market ~~[book]~~ value of the
 2-13 assets of the fund that exceeds \$1 million.

2-14 SECTION 3. Subsections (b) and (c), Section 30, Texas Local
 2-15 Fire Fighters Retirement Act (Article 6243e, Vernon's Texas Civil
 2-16 Statutes), are amended to read as follows:

2-17 (b) Contributions picked up as provided by this section
 2-18 shall be treated as employer contributions in determining tax
 2-19 treatment of the amounts under the Internal Revenue Code of 1986.
 2-20 ~~[Each municipality or other political subdivision picking up~~
 2-21 ~~contributions shall continue, however, to compute federal income~~
 2-22 ~~tax withholding as if these contributions were employee wages until~~
 2-23 ~~the first payroll period that begins after the date the fire~~
 2-24 ~~fighters' pension commissioner files with the secretary of state a~~
 2-25 ~~notice stating that the United States Internal Revenue Service has~~
 2-26 ~~determined or a federal court has ruled that under Section 414(h),~~
 2-27 ~~Internal Revenue Code of 1986 (26 U.S.C. Section 414(h)), the~~
 2-28 ~~contributions are not includable in the gross income of a member~~
 2-29 ~~until they are distributed or made available.]~~ Employee
 2-30 contributions picked up as provided by this section shall be
 2-31 deposited to the credit of the individual account of each affected
 2-32 member and shall be treated for all other purposes of this Act as if
 2-33 the contributions had been deducted from the compensation of
 2-34 members. Picked up contributions are not includable in a
 2-35 computation of contribution rates of the municipality or other
 2-36 political subdivision.

2-37 (c) A pick up of employee contributions takes effect in a
 2-38 municipality or other political subdivision on January 1 of the
 2-39 year following the year in which:

2-40 (1) the governing body of the municipality or other
 2-41 political subdivision by ordinance has adopted the pick up; and

2-42 (2) the pick up has been approved by majority vote of
 2-43 the participating members of the retirement system at an election
 2-44 by secret ballot at which at least 50 percent of the participating
 2-45 members vote~~[, and~~

2-46 ~~[(3) the fire fighters' pension commissioner has filed~~
 2-47 ~~with the secretary of state a notice stating that the United States~~
 2-48 ~~Internal Revenue Service has issued a determination that the plan~~
 2-49 ~~covering employees of the municipality or other political~~
 2-50 ~~subdivision is a qualified retirement plan under Section 401(a),~~
 2-51 ~~Internal Revenue Code of 1986 (26 U.S.C. Section 401(a)), and that~~
 2-52 ~~its related trust is tax exempt under Section 501(a) of that code~~
 2-53 ~~(26 U.S.C. Section 501(a))].~~

2-54 SECTION 4. Subsection (e), Section 19, Texas Local Fire
 2-55 Fighters Retirement Act (Article 6243e, Vernon's Texas Civil
 2-56 Statutes), is repealed.

2-57 SECTION 5. This Act takes effect immediately if it receives
 2-58 a vote of two-thirds of all the members elected to each house, as
 2-59 provided by Section 39, Article III, Texas Constitution. If this
 2-60 Act does not receive the vote necessary for immediate effect, this
 2-61 Act takes effect September 1, 2013.

2-62 * * * * *