

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION**

**March 22, 2013**

**TO:** Honorable Bill Callegari, Chair, House Committee on Pensions

**FROM:** Ursula Parks, Director, Legislative Budget Board

**IN RE: HB1467** by Sheets (Relating to the eligibility for service retirement annuities of certain elected officials convicted of certain crimes.), **As Introduced**

**No significant fiscal implication to the State is anticipated.**

The bill would amend Government Code to make certain elected members ineligible to receive a service retirement annuity if convicted of a qualifying felony. The bill defines a qualifying felony as any felony involving bribery; embezzlement, extortion, or other theft of public money; perjury; or conspiracy or the attempt to commit any of these crimes. The bill would apply only to members of the elected class who hold state office positions normally filled by statewide elections and to members of the Legislature. Members of the Judicial Retirement System - Plan One and the Judicial Retirement System - Plan Two would be excluded from the bill's provisions. The bill would also repeal Article 6220 of the Texas Revised Statutes.

Members ineligible to receive a service retirement annuity would be entitled to a refund of their retirement annuity contributions, excluding interest earned on those contributions, but would still have a right to any other retirement benefit for which they are eligible, such as health insurance. Benefits payable to alternate payees, including an innocent spouse, would not be affected by a member's ineligibility resulting from the bill's provisions. The Employees Retirement System (ERS) indicates that although the retirement fund would lose the liability of having to pay these members' future annuities, creating some savings to the fund, the bill is not anticipated to have a significant impact on the fund due to the relatively small number of individuals assumed to be affected by it. The bill would require ERS to resume payment of annuity if the conviction is overturned. ERS anticipates that any additional administrative costs associated with implementing the legislation could be absorbed within existing resources.

The bill would take effect on September 1, 2013 and would apply only to those elected members who commit a qualifying felony on or after this date.

**Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 327 Employees Retirement System

**LBB Staff:** UP, RB, EP, EMO, WM, PFe