

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

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

**March 24, 2013**

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

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

**IN RE: HB1577** by Taylor, Van (Relating to the eligibility for service retirement annuities from a public retirement system of public officers or employees convicted of certain offenses.),  
**As Introduced**

<b>No significant fiscal implication to the State is anticipated.</b>
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The bill would amend the Government Code to make members of public retirement systems ineligible to receive a retirement annuity if convicted of a felony or a Class A or Class B misdemeanor that is related to the member's performance of public service. The bill would require the court to make an affirmative finding regarding whether the offense was related to the performance of public service by a member of a public retirement system, which would make the member ineligible to receive the annuity. The bill would require the public retirement system to return the annuity withheld during the period of suspension if the member is subsequently found not guilty. Members found ineligible to receive a service retirement annuity would be entitled to a refund of their retirement annuity contributions, excluding interest earned on those contributions. The bill would require the governing body of the public retirement systems to adopt rules and procedures to implement the provisions of the bill.

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. ERS and TRS anticipate that any additional administrative costs associated with implementing the legislation could be absorbed within existing resources. The Department of Public Safety and Office of Court Administration also anticipate no significant fiscal impact associated with implementing the bill.

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

**Local Government Impact**

According to the Texas County and District Retirement System, no fiscal impact is anticipated. Although the bill would require additional processing of accounts for members who are convicted of an offense related to the member's performance of public service, it is impossible to predict the volume of member accounts that would be affected; therefore, the direct fiscal impact cannot be estimated.

According to the Texas Municipal League, there may be costs associated with adopting a policy to implement the provisions of the bill; however, those costs are not anticipated to be significant.

According to the Texas Municipal Retirement System (TMRS), the costs associated with implementing the provisions of the bill are not anticipated to be significant. TMRS also noted that the volume of member accounts that would be affected and the costs associated cannot be estimated.

**Source Agencies:** 212 Office of Court Administration, Texas Judicial Council, 304  
Comptroller of Public Accounts, 323 Teacher Retirement System, 327  
Employees Retirement System, 405 Department of Public Safety

**LBB Staff:** UP, RB, EP, EMo, WM, PFe, JW, TP