

1-1 By: Rodriguez of Travis, Workman, Israel H.B. No. 1756
1-2 (Senate Sponsor - Watson)
1-3 (In the Senate - Received from the House April 20, 2015;
1-4 April 30, 2015, read first time and referred to Committee on State
1-5 Affairs; May 8, 2015, reported favorably by the following vote:
1-6 Yeas 9, Nays 0; May 8, 2015, sent to printer.)

1-7 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-8				
1-9	Huffman	X		
1-10	Ellis	X		
1-11	Birdwell	X		
1-12	Creighton	X		
1-13	Estes	X		
1-14	Fraser	X		
1-15	Nelson	X		
1-16	Schwertner	X		
1-17	Zaffirini	X		

1-18 A BILL TO BE ENTITLED
1-19 AN ACT

1-20 relating to the board of trustees of and distribution of certain
1-21 benefits by a retirement system for firefighters in certain
1-22 municipalities.

1-23 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-24 SECTION 1. Section 2.03(b), Chapter 183 (S.B. 598), Acts of
1-25 the 64th Legislature, Regular Session, 1975 (Article 6243e.1,
1-26 Vernon's Texas Civil Statutes), is amended to read as follows:

1-27 (b) Between November 1 of each year and the first Monday in
1-28 January of the following year, the board of trustees shall hold an
1-29 election to elect one member of the board of trustees. If only one
1-30 firefighter or retiree is nominated for a position under Subsection
1-31 (c) of this section, instead of holding an election, the board of
1-32 trustees may appoint the sole nominated candidate at the first
1-33 board meeting in January. The board shall adopt procedures for the
1-34 appointment of a sole nominated candidate under this subsection. A
1-35 board member appointed under this subsection is considered elected
1-36 for purposes of this Act.

1-37 SECTION 2. Section 7.09, Chapter 183 (S.B. 598), Acts of the
1-38 64th Legislature, Regular Session, 1975 (Article 6243e.1, Vernon's
1-39 Texas Civil Statutes), is amended by adding Subsection (d) to read
1-40 as follows:

1-41 (d) The board of trustees may adopt rules to establish
1-42 procedures for and requirements governing a member's designation of
1-43 a beneficiary under this section.

1-44 SECTION 3. Section 8.05, Chapter 183 (S.B. 598), Acts of the
1-45 64th Legislature, Regular Session, 1975 (Article 6243e.1, Vernon's
1-46 Texas Civil Statutes), is amended by adding Subsection (d) to read
1-47 as follows:

1-48 (d) The board of trustees may adopt rules that modify the
1-49 availability of distributions under Subsection (a) of this section,
1-50 provided that the modifications do not:

1-51 (1) impair the distribution rights under that
1-52 subsection; or

1-53 (2) cause distributions to occur later than required
1-54 under Section 401(a)(9), Internal Revenue Code of 1986.

1-55 SECTION 4. Sections 8.07(b), (c), and (d), Chapter 183
1-56 (S.B. 598), Acts of the 64th Legislature, Regular Session, 1975
1-57 (Article 6243e.1, Vernon's Texas Civil Statutes), are amended to
1-58 read as follows:

1-59 (b) If a member who participates in the DROP dies before
1-60 distribution of the member's entire DROP account [while in active
1-61 service or if the member has not filed an election with the board of

~~trustees as described by Subsection (c) of this section],~~
distributions to the designated beneficiary will begin not more
than one year after the date of the member's death and shall be made
either as a single-payment distribution of the member's DROP
account balance or in not more than four equal annual installments
over a period of not more than 37 months.

~~(c) [If a member who participates in the DROP dies after~~
~~terminating active service and has filed an election with the board~~
~~of trustees to be paid in not more than four equal annual~~
~~installments over a period of not more than 37 months, the balance~~
~~of the member's DROP account shall be distributed to the designated~~
~~beneficiary in the manner that the member selected.~~

~~[(d)]~~ If the member has not designated a beneficiary to
receive distributions from the member's DROP account or if the
person so designated does not survive the member by at least 72
hours, the member's DROP account shall be distributed in a
single-sum payment as soon as administratively possible after the
member's death to any surviving spouse who survives the member by at
least 72 hours, if any, or to the member's estate if there is no
surviving spouse.

SECTION 5. Section 9.04(a-2), Chapter 183 (S.B. 598), Acts
of the 64th Legislature, Regular Session, 1975 (Article [6243e.1](#),
Vernon's Texas Civil Statutes), is amended to read as follows:

(a-2) The collective adjustment amount described by
Subsection (a-1) of this section:

(1) is an amount equal to the actuarial value, as
determined by the board's actuary based on the interest and
mortality assumptions adopted by the board of trustees for the most
recent actuarial valuation of the fund, of the percentage increase
in the Consumer Price Index for All Urban Consumers as determined by
the United States Department of Labor for the applicable
determination period ending in a calendar month that precedes by
~~not more than four months the month in which [immediately preceding~~
~~the date]~~ the cost-of-living adjustment is to take effect,
multiplied by the total amount of benefits payable in the month
immediately preceding the date an adjustment is to take effect to
persons who are eligible to receive an adjustment under this
section; and

(2) if applicable:

(A) is reduced by an amount that the board's
actuary determines is necessary to maintain the financial stability
of the fund; or

(B) is increased in accordance with Subsection
(b) of this section.

SECTION 6. The board of trustees of a retirement system
subject to this Act shall adopt procedures required under Section
2.03(b), Chapter 183 (S.B. 598), Acts of the 64th Legislature,
Regular Session, 1975 (Article [6243e.1](#), Vernon's Texas Civil
Statutes), as amended by this Act, before a sole nominated
candidate may be appointed to the board of trustees.

SECTION 7. This Act takes effect September 1, 2015.

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