

By: Taylor of Collin

S.B. No. 1344

A BILL TO BE ENTITLED

AN ACT

relating to reporting on investments by certain public retirement systems.

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

SECTION 1. Section 802.002(a), Government Code, is amended to read as follows:

(a) Except as provided by Subsection (b), the Employees Retirement System of Texas, the Teacher Retirement System of Texas, the Texas County and District Retirement System, the Texas Municipal Retirement System, and the Judicial Retirement System of Texas Plan Two are exempt from Sections 802.101(a), 802.101(b), 802.101(d), 802.102, 802.103(a), 802.103(b), 802.109, 802.2015, 802.2016, 802.202, 802.203, 802.204, 802.205, 802.206, and 802.207. The Judicial Retirement System of Texas Plan One is exempt from all of Subchapters B and C except Sections 802.104 and 802.105. The optional retirement program governed by Chapter 830 is exempt from all of Subchapters B and C except Section 802.106.

SECTION 2. Section 802.108, Government Code, is amended by adding Subsection (d) to read as follows:

(d) For purposes of determining investment returns under this section, a public retirement system may not report all investment income, including any interest, dividends, capital gains, or other income, earned from an investment instrument in a single year if the investment instrument is held for a period beyond

1 that single year. A public retirement system shall report
2 investment income earned from an investment instrument in the year
3 in which the income is earned.

4 SECTION 3. Subchapter B, Chapter 802, Government Code, is
5 amended by adding Section 802.109 to read as follows:

6 Sec. 802.109. INVESTMENT PRACTICES AND PERFORMANCE
7 REPORTS. (a) At least once every four years, a public retirement
8 system shall select an independent firm with substantial experience
9 in evaluating institutional investment practices and performance
10 to evaluate the retirement system's investment practices and
11 performance.

12 (b) A public retirement system shall pay the costs of each
13 evaluation of the system under this section.

14 (c) A report of an evaluation under this section must be
15 filed with the governing body of the public retirement system and
16 the board. The report must include a listing of all commissions and
17 fees paid by the public retirement system during the reporting
18 period for the sale, purchase, or management of system assets.

19 SECTION 4. This Act takes effect September 1, 2017.