

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

May 4, 2017

TO: Honorable Dan Flynn, Chair, House Committee on Pensions

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: **HB2434** by Flynn (Relating to requiring certain public retirement systems to take certain actions or implement certain plans designed to achieve actuarial soundness.), **Committee Report 1st House, Substituted**

No significant fiscal implication to the State is anticipated.

The bill would amend the Government Code relating to requiring certain public retirement systems to take certain actions or implement certain plans designed to achieve actuarial soundness.

The Pension Review Board assumes any additional work associated with implementing the provisions of the bill could be absorbed using existing resources.

The bill would take effect on June 1, 2018, excluding amendments to Government Code Sections 802.2017(d-1) and 802.2018(d-1), which would take effect on September 1, 2017.

Local Government Impact

According to the Texas Association of Counties, no significant fiscal impact is anticipated.

According to the Texas Municipal Retirement System, no fiscal impact is anticipated.

The bill could result in reductions to the unfunded actuarially accrued liabilities of affected local public retirement systems by prohibiting cost of living adjustments and increases to retiree benefits. The impact would vary for each retirement system and cannot be estimated.

Source Agencies: 338 Pension Review Board, 326 Texas Emergency Services Retirement System

LBB Staff: UP, AG, KFa, ASa, BM