

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

**FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION**

**April 13, 2017**

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

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

**IN RE:** **HB3056** by Meyer (Relating to the participation in the Texas Municipal Retirement System of certain employees of certain municipalities subject to the Texas Local Fire Fighters Retirement Act.), **Committee Report 1st House, Substituted**

<b>No fiscal implication to the State is anticipated.</b>
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The bill would amend Article 6243e, Vernon's Texas Civil Statutes related to Texas Municipal Retirement System. The bill would allow the governing body of certain municipalities to adopt ordinances to exclude from participation employees hired on or after the effective date from the current retirement system. The employees excluded from the current system would be allowed to participate in the Texas Municipal Retirement System. The bill would only apply to the University Park Fire Department (department).

The bill would take effect September 1, 2017.

**Local Government Impact**

According to the Pension Review Board, the department's current pension system amortization period is 53.7 years which is actuarially unsound. If the bill is enacted the amortization period would increase to 88.4 years. A pension system's amortization period should be no higher than 40 years. The current unfunded actuarial accrued liability (UAAL) is \$11.2 million, if the bill is enacted the UAAL would increase to \$11.7 million.

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

**Source Agencies:** 338 Pension Review Board

**LBB Staff:** UP, BM, AG, GG