

BILL ANALYSIS

S.B. 957
By: Bettencourt
Pensions, Investments & Financial Services
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Originally, municipalities facing shortfalls in their sponsored pension systems were authorized by law to issue pension obligation bonds to pay unfunded pension fund liabilities. However, voter approval for the issuance of these bonds was not required. Interested parties have stated that the total amount of bond debt that has been issued by various municipalities without voter approval is a growing concern and that most citizens may be unaware of the amount of municipal debt. S.B. 957 seeks to address this issue by subjecting a municipality's authority to issue a pension fund obligation that exceeds a certain amount to approval by voters of the municipality.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

S.B. 957 amends the Local Government Code to subject a municipality's authority to issue a pension fund obligation in an amount that exceeds \$50 million to approval by a majority of the qualified voters of the municipality voting at an election held for that purpose. The bill repeals provisions subjecting the authority of certain municipalities to issue a pension fund obligation with respect to a firefighters' relief and retirement fund, police officers pension system, or a municipal pension system to that voter approval.

S.B. 957 repeals Section 107.0036, Local Government Code.

EFFECTIVE DATE

On passage, or, if the bill does not receive the necessary vote, September 1, 2019.