

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION

April 15, 2021

TO: Honorable Rafael Anchia, Chair, House Committee on Pensions, Investments & Financial Services

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB4368 by Rodriguez (Relating to the administration of certain municipal police retirement systems.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill would amend Vernon's Civil Statutes to make changes to the benefits and financing structure of the Austin Police Retirement System (APRS). According to the actuarial impact statement provided by the Pension Review Board (PRB), if the bill were enacted, the long-term cost of the retirement system would be reduced, and the contribution changes would move the system from an infinite amortization period to an effective amortization period of 31 years. No significant impact to state agencies is anticipated from the provisions of the bill.

Local Government Impact

The City of Austin estimates a fiscal impact of approximately \$14.0 million growing 3% annually (to cover the legacy liability) with the possibility to grow by another 5% to the maximum of the corridor (or approximately \$9.5M).

Source Agencies: 338 Pension Review Board

LBB Staff: JMc, AAL, LCO, JPO, AF