

BILL ANALYSIS

Senate Research Center

H.B. 2779
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Finance
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Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

One of the keys to an effective judiciary is exceptional judges and excellent support staff. According to a December 2022 report by the Judicial Compensation Commission, Texas district court judges ranked 41st in compensation compared to other states. Intermediate appellate-level judges ranked 23rd and the highest appellate courts, which include the Supreme Court of Texas and the Texas Court of Criminal Appeals, ranked 29th. H.B. 2779 increases the annual base salary for district judges.

H.B. 2779 amends current law relating to the compensation and retirement benefits of certain elected state officials.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 26.006(a), Government Code, as follows:

(a) Provides that a county judge is entitled to an annual salary supplement from the state in an amount equal to 18 percent of the annual salary , rather than the state base salary, paid to a district judge with comparable years of service as the county judge as set by the General Appropriations Act in accordance with Section 659.012 (Judicial Salaries), rather than Section 659.012(a) (relating to the process for determining the annual base salary for certain judges), if at least 18 percent of the:

(1)-(2) makes no changes to these subdivisions.

SECTION 2. Amends Section 659.012(a), Government Code, as follows:

(a) Provides that notwithstanding Section 659.011 (Salaries Set in Appropriations Act) and subject to Subsections (b) (relating to determining the amount of a state base salary for certain judges or justices) and (b-1) (relating to the exclusion of the amount by which the annual salary from the state paid exceeds the state base salary for purposes of determining whether the judge or justice's salary exceeds the limitation):

(1) a judge of a district court is entitled to an annual base salary from the state as set by the General Appropriations Act in an amount equal to at least \$172,494, rather than \$140,000, except that the combined base salary of a district judge from all state and county sources, including compensation for any extrajudicial services performed on behalf of the county, is prohibited from exceeding the amount that is \$5,000 less than the maximum combined base salary from all state and county sources for a justice of a court of appeals other than a chief justice as determined under this subsection; and

(2)-(4) makes no changes to these subdivisions.

SECTION 3. Amends Section 810.003, Government Code, by amending Subsections (c), (d), and (e) and adding Subsection (d-1), as follows:

(c) Provides that a member of a public retirement system is not eligible to receive a service retirement annuity under the retirement system, except as provided by Subsection (d), if the member is:

(1) creates this subdivision from existing text; or

(2) expelled from a house of the legislature under Section 11 (Rules of Procedure; Punishment or Expulsion of Member), Article III (Legislative Department), Texas Constitution.

(d) Makes a conforming change to this subsection.

(d-1) Requires that the retirement system, on receipt of notice of expulsion of a member from the legislature, suspend payments of a service retirement annuity to a person the system determines is ineligible to receive the annuity under Subsection (c)(2).

(e) Requires the governmental entity to which the person was elected or appointed, not later than the 30th day after the conviction of a person of a qualifying felony or expulsion of a member from the legislature, to provide written notice of the conviction or expulsion to the public retirement system in which the person is enrolled.

SECTION 4. Amends Sections 814.103(a) and (a-1), Government Code, as follows:

(a) Provides that the standard service retirement annuity for service credited in the elected class of membership, except as provided by Subsection (a-1) (relating to determining the standard service retirement annuity for service credited in the elected class of membership for a member of the class whose retirement started on or after a certain date) or (b) (relating to prohibiting the standard service retirement annuity for service credited in the elected class from exceeding a certain percent of the state salary of a district judge on which the annuity is based), is an amount equal to the number of years of service credit in that class, times 2.3 percent of the sum of \$140,000 plus any applicable increases determined by the Texas Ethics Commission to reflect inflation or any other relevant factors, rather than 2.3 percent of the state base pay, excluding longevity pay payable under Section 659.0445 and as adjusted from time to time, being paid to a district judge as set by the General Appropriations Act in accordance with Section 659.012(a).

(a-1) Provides that the standard service retirement annuity for service credited in the elected class of membership for a member of the class under Section 812.002(a)(3) (relating to membership in the elected class of the retirement system including district and criminal district attorneys, to the extent that they receive salaries from the state general revenue fund) whose effective date of retirement is on or after September 1, 2019, except as provided by Subsection (b) (relating to prohibiting the standard service retirement annuity for service credited in the elected class from exceeding a certain percent of the state salary of a district judge on which the annuity is based), is an amount equal to the number of years of service credit in that class, times 2.3 percent of the state salary, excluding longevity pay payable under Section 659.0445 (Longevity Pay for State Judges and Justices), rather than under Section 659.0445 and as adjusted from time to time, being paid in accordance with Section 659.012 to a district judge who has the same number of years of contributing service credit as the member on the member's last day of service as a district or criminal district attorney, as applicable.

SECTION 5. Amends Section 820.053(c), Government Code, as follows:

(c) Requires a member of the elected class of membership under Section 812.002(a)(2) (relating to membership in the elected class of the retirement system including members of the legislature), for purposes of Section 820.053 (Cash Balance Benefits for Members), to have the member's accumulated account balance computed as if the

contributions to the account were based on an annual salary equal to the dollar amount used to compute the standard service retirement annuity for service credited in the elected class of membership under Section 814.103(a). Deletes existing text requiring that a member of the elected class of membership under Section 812.002(a)(2), for purposes of Section 820.053, have the member's accumulated account balance computed as if the contributions to the account were based on the state base salary, excluding longevity pay payable under Section 659.0445, being paid a district judge as set by the General Appropriations Act in accordance with Section 659.012(a).

SECTION 6. Makes application of Section 26.006(a), Government Code, as amended by this Act, prospective.

SECTION 7. Provides that a judge of a district court is entitled to an annual base salary from the state as set by the General Appropriations Act in an amount equal to at least \$155,400 for the state fiscal year beginning September 1, 2023, and ending August 31, 2024, and that amount is the annual base salary to be used for the purpose of calculating any other judicial salaries by reference to that section for the state fiscal year beginning September 1, 2023, and ending August 31, 2024, notwithstanding Section 659.012(a), Government Code, as amended by this Act.

SECTION 8. Effective date: September 1, 2023.