By:  Bonnen, et al. H.J.R. No. 2

     (Senate Sponsor - Huffman)

(In the Senate - Received from the House May 1, 2023; May 2, 2023, read first time and referred to Committee on Finance; May 19, 2023, reported adversely, with favorable Committee Substitute by the following vote: Yeas 17, Nays 0; May 19, 2023, sent to printer.)

COMMITTEE VOTE

                    Yea Nay Absent  PNV

Huffman              X

Hinojosa             X

Bettencourt          X

Campbell             X

Creighton            X

Flores               X

Hall                 X

Hancock              X

Hughes               X

Kolkhorst            X

Nichols              X

Paxton               X

Perry                X

Schwertner           X

West                 X

Whitmire             X

Zaffirini            X

COMMITTEE SUBSTITUTE FOR H.J.R. No. 2 By:  Huffman

HOUSE JOINT RESOLUTION

proposing a constitutional amendment limiting the authority of the legislature to provide cost-of-living adjustments or other benefit enhancements to certain annuitants of the Teacher Retirement System of Texas and providing a one-time transfer of funds to the retirement system to provide a cost-of-living adjustment.

BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1.  Article XVI, Texas Constitution, is amended by adding Section 67-a to read as follows:

Sec. 67-a.  (a) Only as authorized by this section, the legislature by general law may provide one or more cost-of-living adjustments or supplemental payments as benefit enhancements to annuitants of the Teacher Retirement System of Texas who are eligible for the enhancements, as determined by that law.

(b)  The legislature may provide a benefit enhancement as described by this section and, as necessary, direct the comptroller of public accounts to transfer funds to the Teacher Retirement System of Texas for the payment of the benefit enhancement only if:

(1)  the retirement system is actuarially sound, as determined by general law; and

(2)  subject to Subsection (c) of this section, the legislature appropriates money in an amount sufficient to ensure that providing the benefit enhancement does not increase the unfunded actuarial liabilities of the retirement system, as determined by the board of trustees of the retirement system.

(c)  In determining the amount that is sufficient to ensure that providing a benefit enhancement does not increase the unfunded actuarial liabilities of the Teacher Retirement System of Texas under Subsection (b)(2) of this section, the board of trustees of the retirement system shall reduce that amount by the amount by which the actuarial value of the retirement system's assets exceeds the actuarial accrued liability of the retirement system.

SECTION 2.  The following temporary provision is added to the Texas Constitution:

TEMPORARY PROVISION. (a) This temporary provision applies to the constitutional amendment proposed by the 88th Legislature, Regular Session, 2023, limiting the authority of the legislature to provide cost-of-living adjustments or other benefit enhancements to certain annuitants of the Teacher Retirement System of Texas and providing a one-time transfer of funds to the retirement system to provide a cost-of-living adjustment.

(b)  As soon as practicable after the effective date of the amendment to which this temporary provision applies, the comptroller of public accounts shall transfer $3.323 billion from the general revenue fund to an account in the trust fund of the Teacher Retirement System of Texas established for that purpose. Money transferred to an account under this temporary provision may be spent by the retirement system only for the purpose of providing a cost-of-living adjustment of not less than two percent and not more than four percent of each eligible annuitant's annuity, as provided by general law. The transfer made under this temporary provision is not:

(1)  an appropriation of state tax revenues for the purposes of Section 22, Article VIII, of this constitution; or

(2)  a contribution by the state to the retirement system under Section 67(b)(3), Article XVI, of this constitution, or any other law.

(c)  This temporary provision expires on the earlier of:

(1)  the date all money transferred to an account in the trust fund of the Teacher Retirement System of Texas under this temporary provision has been expended; or

(2)  the date on which:

(A)  no annuitants who are eligible for the cost-of-living adjustment authorized under this temporary provision remain; and

(B)  any unexpended balance has been transferred to the general revenue fund under Subsection (d) of this temporary provision.

(d)  If no annuitants who are eligible for the cost-of-living adjustment authorized under this temporary provision remain, the board of trustees of the Teacher Retirement System of Texas shall notify the comptroller and the comptroller shall transfer any unexpended money to the general revenue fund.

SECTION 3.  This proposed constitutional amendment shall be submitted to the voters at an election to be held November 7, 2023. The ballot shall be printed to permit voting for or against the proposition: "The constitutional amendment limiting the authority of the legislature to provide cost-of-living adjustments or other benefit enhancements to certain annuitants of the Teacher Retirement System of Texas and providing a one-time transfer of funds to the retirement system to provide a cost-of-living adjustment."

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