LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 88TH LEGISLATIVE REGULAR SESSION

April 18, 2023

TO: Honorable Giovanni Capriglione, Chair, House Committee on Pensions, Investments & Financial Services

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: **HB3441** by Hunter (Relating to member contributions to the Texas Municipal Retirement System.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill would amend the Government Code to allow municipalities participating in the Texas Municipal Retirement System (TMRS) the additional option to designate an employee contribution rate of eight percent. Under current law, municipalities are required to choose an employee contribution rate of five, six, or seven percent of employee compensation. No significant cost to the state is anticipated from implementing the provisions of the bill.

Local Government Impact

According to TMRS, since the funding requirements and cost impact are the responsibility of each participating city, the bill is not expected to have an actuarial impact on TMRS as a system, but it will have a negative actuarial impact on any city that adopts the eight percent option.

Source Agencies:
LBB Staff: JMc, MOc, LCO, JPO