

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 89TH LEGISLATIVE REGULAR SESSION

March 20, 2025

TO: Honorable Joan Huffman, Chair, Senate Committee on Finance

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: **SB1527** by West (relating to the administration of, contributions to, and benefits under the public retirement systems for police and fire fighters in certain municipalities.), **Committee Report 1st House, Substituted**

No fiscal implication to the State is anticipated.

The bill would amend Vernon's Civil Statutes to make changes to the Dallas Police and Fire Pension System. No fiscal impact to the state is anticipated from the provisions of the bill.

Local Government Impact

According to the City of Dallas, the bill provides for a five-year step-up to an Actuarially Determined Contribution (ADC) rate to the Dallas Police and Fire Pension System. Implementation of the ADC rate model is projected to increase the city's contribution to the system by nearly \$3.5 billion over 30 years.

According to the Dallas Police and Fire Pension System (DPFP), the bill would reduce the actuarial accrued liability of the system from \$5.7 billion to \$5.4 billion. In addition, according to DPFP, the provisions of the bill requiring the system to agree with the plan sponsor (the City of Dallas) on certain actions affecting pension liabilities could increase the liabilities of the system due to assumption changes.

Source Agencies:

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