

# CONFERENCE COMMITTEE REPORT FORM

Austin, Texas

5/30/15

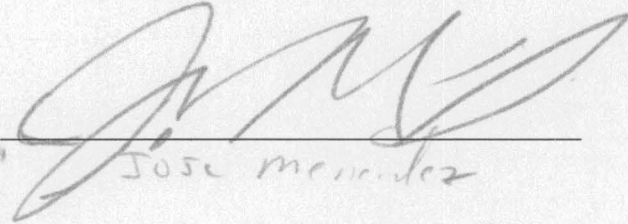
Date

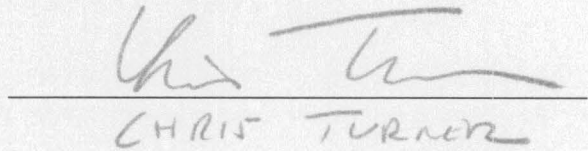
Honorable Dan Patrick  
President of the Senate

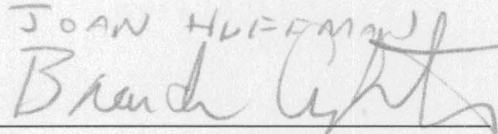
Honorable Joe Straus  
Speaker of the House of Representatives

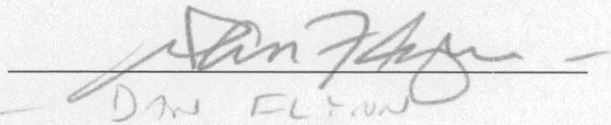
Sirs:

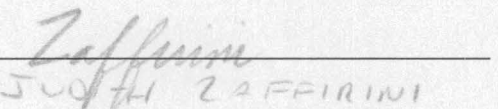
We, Your Conference Committee, appointed to adjust the differences between the Senate and the House of Representatives on HR 408 have had the same under consideration, and beg to report it back with the recommendation that it do pass in the form and text hereto attached.

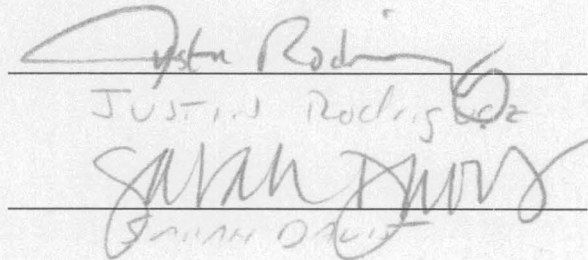
  
JOSE MENDEZ

  
CHRIS TURNER

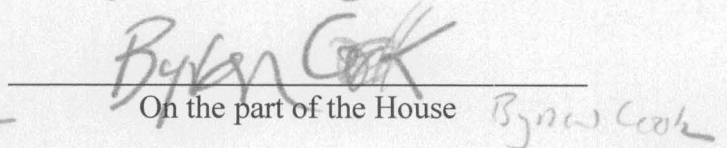
JOAN HUFFMAN  
  
BRANDON CREIGHTON

  
DAN FLYNN

  
JUDITH ZAFFIRINI

  
JUSTIN RODRIGUEZ  
SARAH DAVIS

On the part of the Senate CRAIG C. STETSON

  
On the part of the House Bryan Cook

### Note to Conference Committee Clerk:

Please type the names of the members of the Conference Committee under the lines provided for signature. Those members desiring to sign the report should sign each of the six copies. Attach a copy of the Conference Committee Report and a Section by Section side by side comparison to each of the six reporting forms. The original and two copies are filed in house of origin of the bill, and three copies in the other house.

# CONFERENCE COMMITTEE REPORT

3<sup>rd</sup> Printing

H.B. No. 408

A BILL TO BE ENTITLED

AN ACT

relating to the retirement benefits for certain elected state officials.

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

SECTION 1. Section 813.503, Government Code, is amended by amending Subsection (a) and adding Subsection (a-1) to read as follows:

(a) Subject to Subsection (a-1), a [A] member may establish in, or have transferred to, the employee class all service credited in the elected class, if the contributions made to establish the service in the elected class equal or exceed contributions required of a member of the employee class for the same amount of service during the same time and at the same rate of compensation. Subject to Subsection (a-1), a [A] member or retiree who has, or had at the time of retirement, at least eight years of service credit in the elected class of membership, exclusive of military service, may transfer service credit between classes before or after retirement.

(a-1) A member or retiree who takes the oath of office for a position included in the elected class of membership, other than a district attorney or criminal district attorney, may not transfer service to the employee class under Subsection (a) until the person no longer holds that position.

SECTION 2. Section 814.104, Government Code, is amended by amending Subsections (a) and (d) and adding Subsection (e) to read

1 as follows:

2 (a) Except as provided by Subsections [~~Subsection~~] (d) and  
3 (e) of this section, Section 814.102, or by rule adopted under  
4 Section 813.304(d) or 803.202(a)(2), a member who has service  
5 credit in the retirement system is eligible to retire and receive a  
6 service retirement annuity if the member:

7 (1) is at least 60 years old and has at least 5 years of  
8 service credit in the employee class; or

9 (2) has at least 5 years of service credit in the  
10 employee class and the sum of the member's age and amount of service  
11 credit in the employee class, including months of age and credit,  
12 equals or exceeds the number 80.

13 (d) Except as provided by Subsection (e) of this section,  
14 Section 814.102, or by rule adopted under Section 813.304(d) or  
15 803.202(a)(2), a member who was not a member on the date hired, was  
16 hired on or after September 1, 2009, and has service credit in the  
17 retirement system is eligible to retire and receive a service  
18 retirement annuity if the member:

19 (1) is at least 65 years old and has at least 10 years  
20 of service credit in the employee class; or

21 (2) has at least 10 years of service credit in the  
22 employee class and the sum of the member's age and amount of service  
23 credit in the employee class, including months of age and credit,  
24 equals or exceeds the number 80.

25 (e) A member who takes the oath of office for a position  
26 included in the elected class of membership, other than a district  
27 attorney or criminal district attorney, is not eligible to retire

1 and receive a service retirement annuity under this section that is  
2 based on service credit transferred to the employee class from the  
3 elected class under Section 813.503 until the member no longer  
4 holds that position. This provision does not prohibit a member from  
5 retiring and receiving a service retirement annuity under this  
6 section that is based on service credit earned in a position  
7 included in the employee class of membership under Section 812.003.

8 SECTION 3. The change in law made by this Act applies only  
9 to a person included in the elected class of membership on or after  
10 the effective date of this Act, other than a person who, on the  
11 effective date of this Act, is receiving a service retirement  
12 annuity based on service transferred to the employee class.

13 SECTION 4. This Act takes effect immediately if it receives  
14 a vote of two-thirds of all the members elected to each house, as  
15 provided by Section 39, Article III, Texas Constitution. If this  
16 Act does not receive the vote necessary for immediate effect, this  
17 Act takes effect September 1, 2015.

**House Bill 408**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION	SENATE VERSION (IE)	CONFERENCE
SECTION 1. Section 813.503, Government Code, is amended.	SECTION 1. Same as House version.	SECTION 1. Same as House version.
SECTION 2. Section 814.104, Government Code, is amended.	SECTION 2. Same as House version.	SECTION 2. Same as House version.
SECTION 3. The change in law made by this Act applies only to a person included in the elected class of membership on or after the effective date of this Act, other than a person who, on the effective date of this Act, is receiving a service retirement annuity based on service transferred to the employee class.	SECTION 3. Same as House version.	SECTION 3. Same as House version.
SECTION 4. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2015.	SECTION 4. Same as House version.	SECTION 4. Same as House version.
<i>No equivalent provision.</i>	SECTION __. Article 42.01, Code of Criminal Procedure, is amended. [FA1]	Same as House version.
<i>No equivalent provision.</i>	SECTION __. Chapter 42, Code of Criminal Procedure, is amended. [FA1]	Same as House version.
<i>No equivalent provision.</i>	SECTION __. Subchapter A, Chapter 802, Government Code, is amended. [FA1]	Same as House version.
<i>No equivalent provision.</i>	SECTION __. Section 802.004, Government Code, as added by this Act, applies only to an offense committed on or after the effective date of this Act. An offense committed before the effective date of this Act is governed by the law in effect on the date the offense was committed, and the former law is continued in effect for that purpose. For purposes of this	Same as House version.

**House Bill 408**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION (IE)

CONFERENCE

section, an offense was committed before the effective date of this Act if any element of the offense occurred before that date. [FA1]

*No equivalent provision.*

SECTION \_\_. Section 12, Article 42.01, Code of Criminal Procedure, and Article 42.0199, Code of Criminal Procedure, as added by this Act, apply only to a judgment of conviction entered on or after the effective date of this Act. [FA1]

Same as House version.

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION**

**May 30, 2015**

**TO:** Honorable Dan Patrick, Lieutenant Governor, Senate  
Honorable Joe Straus, Speaker of the House, House of Representatives

**FROM:** Ursula Parks, Director, Legislative Budget Board

**IN RE: HB408** by Turner, Chris (Relating to the retirement benefits for certain elected state officials.), **Conference Committee Report**

<p><b>No significant fiscal implication to the State is anticipated.</b></p>
--

The bill would amend the Government Code to prevent members of the elected class, other than district attorneys and criminal district attorneys, from transferring elected class service to the employee class to receive employee class retirement benefits until the member is no longer in office. The bill would not restrict the ability of elected class members to retire and receive benefits as an employee-class member while in office, if they are eligible to retire with their employee class service. The Employees Retirement System indicates that the bill would lead to a decrease in costs to the system; however, this amount is not anticipated to be significant.

The bill would affect certain current and future elected-class members, other than a current elected-class member who is receiving a service retirement annuity based on service transferred to the employee class on the effective date of the bill. The bill would take effect immediately if it receives the required votes; otherwise, it would take effect on September 1, 2015.

**Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 327 Employees Retirement System

**LBB Staff:** UP, AG, EP, EMO

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**ACTUARIAL IMPACT STATEMENT**

**84TH LEGISLATIVE REGULAR SESSION**

**May 30, 2015**

**TO:** Honorable Dan Patrick, Lieutenant Governor, Senate  
Honorable Joe Straus, Speaker of the House, House of Representatives

**FROM:** Ursula Parks, Director, Legislative Budget Board

**IN RE: HB408** by Turner, Chris (Relating to the retirement benefits for certain elected state officials.), **Conference Committee Report**

The bill would amend Government Code to prohibit a member serving in the elected class, excluding district attorneys and criminal district attorneys, from being able to retire and receive an annuity based on service credit transferred to the employee class from the elected class until the member no longer holds an elected-class position. The bill would still allow a contributing elected-class member to receive an annuity based solely on service credit earned in the employee class.

The bill would affect certain current and future elected-class members, other than a current elected-class member who is receiving a service retirement annuity based on service transferred to the employee class on the effective date of the bill. The bill would take effect immediately if it receives the required votes; otherwise, it would take effect on September 1, 2015.

According to the actuarial analysis prepared by the Employees Retirement System of Texas (ERS), the bill would impact a very small group. The actuarial analysis notes that the bill would be expected to lower the overall liability of ERS in the future as fewer members would be eligible to utilize this provision. The actuarial review states that because the bill restricts benefits, it could eventually result in a small cost savings but would not have a material actuarial impact on ERS.

**Source Agencies:** 338 Pension Review Board

**LBB Staff:** UP, EP, EMO, KFa



**Certification of Compliance with  
Rule 13, Section 6(b), House Rules of Procedure**

Rule 13, Section 6(b), House Rules of Procedure, requires a copy of a conference committee report signed by a majority of each committee of the conference to be furnished to each member of the committee in person or, if unable to deliver in person, by placing a copy in the member's newspaper mailbox at least one hour before the report is furnished to each member of the house under Rule 13, Section 10(a). The paper copies of the report submitted to the chief clerk under Rule 13, Section 10(b), must contain a certificate that the requirement of Rule 13, Section 6(b), has been satisfied, and that certificate must be attached to the copy of the report furnished to each member under Rule 13, Section 10(d). Failure to comply with this requirement is not a sustainable point of order under Rule 13.

I certify that a copy of the conference committee report on 40408 was furnished to each member of the conference committee in compliance with Rule 13, Section 6(b), House Rules of Procedure, before submission of the paper copies of the report to the chief clerk under Rule 13, Section 10(b), House Rules of Procedure.

Chris Turner  
(name)

5/30/2015  
(date)