

BILL ANALYSIS

Senate Research Center

C.S.S.B. 1209
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Intergovernmental Relations
4-10-97
Committee Report (Substituted)

DIGEST

Currently, participation in the proportionate retirement program for public employees is contingent upon the fulfillment of specific qualifications. This bill provides amended guidelines for the participation process in the proportionate retirement programs for public employees.

PURPOSE

As proposed, C.S.S.B. 1209 provides guidelines for the participation process in the proportionate retirement programs for public employees.

RULEMAKING AUTHORITY

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

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 803.0021, Government Code, to provide that this chapter applies to a retirement system that makes an election under Section 803.101(f), Government Code, among other provisions. Makes a conforming change.

SECTION 2. Amends Section 803.101, Government Code, by amending Subsection (a) and adding Subsection (f), to authorize the governing body of a public retirement system in this state for general municipal employees that is a qualified plan under Section 401(a) of the Internal Revenue Code of 1986 (26 U.S.C. Section 401) and that is in a municipality with a population of not less than 55,000 to elect to participate in the proportionate retirement program by adopting a resolution to that effect. Prohibits a resolution from being adopted under this subsection without the approval of the governing body of the municipality that finances the retirement system. Requires the governing body of the retirement system to notify all other participating retirement systems of the election. Provides that the effective date of participation in the proportionate retirement program by a retirement system for which an election is made under this subsection is the first day of the third month after the month in which notice is given under this subsection.

SECTION 3. Amends Section 803.103, Government Code, to provide that participation in the proportionate retirement program by certain entities does not include participation with a retirement system described by Section 803.0021(3), rather than Section 803.0021(1), if one of the entities elects, rather has elected, to so limit its participation and has not revoked the election under Subsection (b). Requires an election under Subsection (a) to be filed before the effective date of a public retirement system's participation in the program as provided by Section 803.101(f), or the right of election under Subsection (a) is waived. Makes conforming changes.

SECTION 4. Effective date: September 1, 1997.

SECTION 5. Emergency clause.

SUMMARY OF COMMITTEE CHANGES

SECTION 2.

Amends Section 803.101, Government Code, to authorize the governing body of a public retirement system for general municipal employees that is a qualified plan under Section 401(a) of the Internal Revenue Code of 1986 (26 U.S.C. Section 401) and that is in a municipality with a population of not less than 55,000 to perform certain functions.

SECTION 3.

Amends Section 803.103, Government Code, to provide that the provisions of Subsection (a) do not include participation with a retirement system described by Section 803.0021(3). Requires an election under Subsection (a) to be filed before the effective date of a public retirement system's participation in the program as provided by Section 803.101(f), or the right of election under Subsection (a) is waived. Makes conforming and nonsubstantive changes.