

BILL ANALYSIS

Senate Research Center

S.B. 431
By: Haywood
Intergovernmental Relations
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As Filed

DIGEST

Currently, volunteer fire departments, who are members of the Fire Fighters' Pension Fund, have to meet strict requirements to withdraw from the system. If a department wishes to withdraw but does not intend to transfer all assets and liabilities to another pension fund, the Fire Fighters' Pension Commission refuses to allow the withdrawal. Existing primarily on contributions, some departments join the system and then find themselves financially unable to continue their contributions to the fund. S.B. 431 outlines provisions regarding withdrawal from the volunteer fire fighters' relief and retirement fund.

PURPOSE

As proposed, S.B. 431 outlines provisions regarding withdrawal from the volunteer fire fighters' relief and retirement fund.

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 Article 6243e.3, V.T.C.S., (Texas Statewide Volunteer Fire Fighters Retirement Act), by adding Section 12B, as follows:

Sec. 12B. WITHDRAWAL FROM PENSION SYSTEM; ELECTION. Authorizes a member fire department, not later than August 31, 1998, to withdraw from the Fire Fighters Pension Fund if the action is approved by unanimous vote of certain parties. Provides that all contributions made by a governing body for a member fire department that withdraws from the pension system under this section remain in the fund. Prohibits a person from receiving a benefit from the pension system based on service with the department after the effective date of a department's withdrawal from the pension system under this section. Requires the state board of trustees to notify each member fire department of the department's right to withdraw from the pension system under this section. Provides that this section expires September 1, 1998.

SECTION 2. Effective date: September 1, 1997.

SECTION 3. Emergency clause.