

BILL ANALYSIS

Senate Research Center
85R18243 KFF-F

H.B. 3056
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State Affairs
5/17/2017
Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

According to interested parties, certain local fire fighters retirement funds, such as those in University Park in Dallas, have problems and are in need of a sustainable solution. H.B. 3056 provides a solution by providing for the participation in the Texas Municipal Retirement System by certain employees of certain municipalities subject to the Texas Local Fire Fighters Retirement Act.

H.B. 3056 amends current law relating to the participation in the Texas Municipal Retirement System of certain employees of certain municipalities subject to the Texas Local Fire Fighters Retirement Act.

RULEMAKING AUTHORITY

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

SECTION BY SECTION ANALYSIS

SECTION 1. Amends the Texas Local Fire Fighters Retirement Act (Article 6243e, Vernon's Texas Civil Statutes (V.T.C.S.)), by adding Section 31A, as follows:

Sec. 31A. AUTHORITY OF CERTAIN RETIREMENT SYSTEMS TO EXCLUDE CERTAIN PERSONS FROM COVERAGE. (a) Defines "closure effective date."

(b) Provides that this section applies only to a municipality:

- (1) with a population of less than 200,000;
- (2) that is located in a county with a population of not less than 2 million and not more than 4 million;
- (3) that has a regularly organized fire department for which a retirement system (retirement system) and fund have been established under Section 4 (relating to the establishment of a certain fire fighters' retirement system and trust fund) of this Act; and
- (4) that before January 1, 2017, has one or more departments participating the Texas Municipal Retirement System (TMRS).

(c) Authorizes the governing body of a municipality subject to this section, subject to the requirements of this section, to adopt one or more ordinances to exclude from participation in the retirement system employees of the fire department first hired on or after the closure effective date.

(d) Requires the governing body of a municipality, if the governing body adopts an ordinance under Subsection (c) of this section, to concurrently adopt an ordinance to allow the employees described by the ordinance to participate in TMRS.

(e) Requires the municipality, not later than the 60th day after the date an ordinance is adopted under Subsection (c) of this section, to submit the ordinance to an election of the participating members of the retirement system established in the municipality. Requires that a majority of the participating members vote in favor of the ordinance to be approved at the election.

(f) Provides that if the voting members approve an ordinance under Subsection (e) of this section, as soon as practicable after the date of the election:

(1) the board of trustees of the retirement system (board) is required to amend the retirement system plan documents as necessary to be consistent with the approved ordinance; and

(2) the municipality is required to give written notice of the results of the election to TMRS and include copies of the relevant ordinances and any amended retirement system plan documents.

(g) Requires that all subsequent actions authorized or required by this section, if a municipality adopts ordinances under Subsections (c) and (d) of this section, be completed before October 1, 2018. Provides that if all subsequent actions are not completed before October 1, 2018:

(1) as soon as practicable after that date, TMRS is required to publish notice to that effect in the Texas Register; and

(2) Section 851.0011, Government Code, this section, and the ordinances adopted under Subsections (c) and (d) of this section expire on October 1, 2018.

SECTION 2. Amends Subchapter A, Chapter 851, Government Code, by adding Section 851.0011, as follows:

Sec. 851.0011. ALTERNATIVE DEFINITION OF DEPARTMENT. (a) Provides that this section applies only with respect to a municipality:

(1) with a population of less than 200,000;

(2) that is located in a county with a population of not less than 2 million and not more than 4 million;

(3) that has a regularly organized fire department for which a retirement system and fund have been established under Section 4, Texas Local Fire Fighters Retirement Act (Article 6243e, V.T.C.S.); and

(4) that before January 1, 2017, has one or more departments participating in TMRS.

(b) Provides that, notwithstanding Section 851.001(7) (relating to the definition of department), "department" in this subtitle includes employees of a municipality described by Subsection (a) who are allowed to participate in the retirement system under Section 31A, Texas Local Fire Fighters Retirement Act (Article 6243e, V.T.C.S.), because the municipality completed all actions authorized or required by that section within the time prescribed by that section.

(c) Provides that, if a municipality fails to complete all actions authorized or required by Section 31A, Texas Local Fire Fighters Retirement Act (Article 6243e, V.T.C.S.), before October 1, 2018, this section expires on October 1, 2018, in accordance with Section 31A(g), Texas Local Fire Fighters Retirement Act (Article 6243e, V.T.C.S.).

SECTION 3. Effective date: September 1, 2017.