

## **BILL ANALYSIS**

Senate Research Center  
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C.S.S.B. 1626  
By: Watson  
State Affairs  
4/17/2007  
Committee Report (Substituted)

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

Under current law, City of Austin police and firefighters are not authorized to join the proportionate retirement program. Therefore, Austin police officers and firefighters who move to other City of Austin jobs are unable to combine their years of service in the police or firefighter retirement systems with their service in the City of Austin retirement system in order to meet years-of-service requirements for retirement eligibility.

C.S.S.B. 1626 prohibits the Austin police and fire retirement systems from joining the proportionate retirement program unless an actuary acting on behalf of the municipality reviews the initial cost to the municipality of making the election. This bill also requires the City of Austin to increase its contribution to the retirement system to fund any additional liabilities incurred by the systems because of participation in the proportionate retirement program.

### **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 Section 803.101, Government Code, by adding Subsections (g) and (h), as follows:

(g) Prohibits the governing body of a municipality described by Section 803.0021(1) (regarding a retirement system for general municipal employees in a municipality with a population of not less than 600,000 nor more than 700,000) that finances a public retirement system for police officers or firefighters from approving the retirement system's election under Subsection (f) to participate in the proportionate retirement program (program) unless an actuary acting on behalf of the municipality reviews the initial cost to the municipality of making the election.

(h) Requires the governing body of the municipality that finances a public retirement system, if the governing body of the retirement system under Subsection (g) adopts a resolution to participate in the program, to appropriate and pay to the retirement system, at the same time the municipality makes the municipality's monthly contribution to the retirement system, the additional amount necessary, as determined by the retirement system's actuary, to fund the additional liabilities incurred by the retirement system as a result of participating in the program.

SECTION 2. Effective date: upon passage or September 1, 2007.