

By: _____ .B. No. _____

Substitute the following for ____B. No. _____:

By: _____ C.S.____B. No. _____

A BILL TO BE ENTITLED

1 AN ACT

2 relating to contributions to certain fire and police pension funds.

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

4 SECTION 1. Section 14, Chapter 101, Acts of the 43rd
5 Legislature, 1st Called Session, 1933 (Article 6243b, Vernon's
6 Texas Civil Statutes), is amended to read as follows:

7 Sec. 14. USE OF PUBLIC FUNDS. Except as provided by Section
8 14A of this Act, no [~~No~~] funds shall be paid out of the public
9 treasury of any such incorporated city or town, in carrying out any
10 of the provisions of this law, except on a majority vote of the
11 voters of such city or town, and where such funds have been voted on
12 as provided by law, said city or town shall contribute such amount.

13 SECTION 2. Section 14A, Chapter 101, Acts of the 43rd
14 Legislature, 1st Called Session, 1933 (Article 6243b, Vernon's
15 Texas Civil Statutes), is amended to read as follows:

16 Sec. 14A. CONTRIBUTION INCREASES. [~~(a)~~] If at any time a
17 qualified actuary that meets the requirements of Subdivision (1),
18 Subsection (b), Section 10A of this Act, determines that the total
19 contribution rate, expressed as a percentage of wages, is
20 insufficient to amortize the unfunded actuarial accrued liability,
21 as defined under the Governmental Accounting Standards Board
22 Statement No. 25, over a 40-year period [~~not to exceed forty (40)~~
23 ~~years~~]:

24 (1) the city's or town's governing body may increase

1 the city or town contribution rate; and

2 (2) to the extent that the city or town contribution
3 rate increases under Subdivision (1) of this subsection, the member
4 contribution rate must increase by an amount equal to the member
5 contribution rate before the increase multiplied by a fraction:

6 (A) the numerator of which is the increase in the
7 amount of the city or town contribution rate; and

8 (B) the denominator of which is the amount of the
9 city or town contribution rate before the increase.

10 ~~[(b) The sum of the city or town contribution rate and the~~
11 ~~member contribution rate after an increase under this section may~~
12 ~~not exceed the total contribution rate determined by the qualified~~
13 ~~actuary to be necessary to amortize the unfunded actuarial accrued~~
14 ~~liability over a forty (40) year period.]~~

15 SECTION 3. Chapter 101, Acts of the 43rd Legislature, 1st
16 Called Session, 1933 (Article 6243b, Vernon's Texas Civil
17 Statutes), is amended by adding Section 14B to read as follows:

18 Sec. 14B. CONTRIBUTION DECREASES. (a) If at any time a
19 qualified actuary that meets the requirements of Section 10A(b)(1)
20 of this Act determines that the total contribution rate, expressed
21 as a percentage of wages, is sufficient to amortize the unfunded
22 actuarial accrued liability, as defined under the Governmental
23 Accounting Standards Board Statement No. 25, over a 25-year period:

24 (1) the city's or town's governing body may decrease
25 the city or town contribution rate; and

26 (2) to the extent that the city or town contribution
27 rate decreases under Subdivision (1) of this subsection, the member

1 contribution rate must decrease by an amount equal to the member
2 contribution rate before the decrease multiplied by a fraction:

3 (A) the numerator of which is the decrease in the
4 amount of the city or town contribution rate; and

5 (B) the denominator of which is the amount of the
6 city or town contribution rate before the decrease.

7 (b) The sum of the city or town contribution rate and the
8 member contribution rate after a decrease under this section may
9 not be less than the total contribution rate determined by the
10 qualified actuary to be necessary to amortize the unfunded
11 actuarial accrued liability over a 25-year period.

12 SECTION 4. This Act takes effect immediately if it receives
13 a vote of two-thirds of all the members elected to each house, as
14 provided by Section 39, Article III, Texas Constitution. If this
15 Act does not receive the vote necessary for immediate effect, this
16 Act takes effect September 1, 2013.