

BILL ANALYSIS

H.B. 2178
By: Noble
Pensions, Investments & Financial Services
Committee Report (Unamended)

BACKGROUND AND PURPOSE

It has been noted that cities that elect to participate in the Texas Emergency Services Retirement System (TESRS) are prohibited from opting out of the plan. H.B. 2178 seeks to allow certain departments the option to discontinue participation in TESRS under certain conditions.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that rulemaking authority is expressly granted to the state board of the Texas Emergency Services Retirement System in SECTION 1 of this bill.

ANALYSIS

H.B. 2178 amends the Government Code to prohibit the governing body of a department that performs emergency services and elects to participate in the Texas Emergency Services Retirement System (TESRS) from terminating participation in TESRS unless the department meets certain requirements and the governing body elects to provide retirement benefits through participation in an alternative retirement system. The bill establishes that all contributions to TESRS necessary to pay the benefits of vested members are forfeited by a governing body of a department that elects to terminate its participation in TESRS. The bill authorizes the state board of TESRS to adopt rules necessary to implement the bill's provisions.

EFFECTIVE DATE

September 1, 2019.