

## **BILL ANALYSIS**

Senate Research Center

H.B. 724  
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State Affairs  
5-14-97  
Engrossed

### **DIGEST**

Currently, institutions of higher education are not required to transfer retirement funds electronically or to pay a penalty for transmitting the money in an untimely manner for Optional Retirement Program (ORP) participants. The Texas Faculty Association has received complaints from faculty members at different public colleges and universities that ORP contributions were being transmitted to the participants' annuity companies in an untimely manner. This bill decreases the amount of time colleges and universities have to remit ORP contributions from 10 to three days.

### **PURPOSE**

As proposed, H.B. 724 decreases the amount of time colleges and universities have to remit Optional Retirement Program contributions from 10 to three days.

### **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 Section 830.202, Government Code, by amending Subsection (c) and adding Subsections (e) and (f), to require the disbursing officer of an institution of higher education and, if applicable, of the Texas Education Agency (TEA), rather than the Central Education Agency, to pay contributions collected. Requires contributions collected under this subchapter to be paid to a company providing an optional retirement program for that institution by the third business day after the date the funds become legally available. Requires the disbursing officer to send the state's and the participants' contributions together. Requires the participants' contributions to be otherwise sent at the time of withholding and the state's contributions on receipt from the comptroller. Sets forth requirements of the disbursing officer of an institution of higher education, and if applicable, of TEA. Requires an institution of higher education and TEA to give notice to each participant in the optional retirement program at the institution or agency indicating which companies are unable to receive funds by electronic transfer, at least once each fiscal year.

SECTION 2. Provides that this Act conforms to Section 830.202(c), Government Code. Requires this Act to prevail to the extent of any conflict.

SECTION 3. Effective date: September 1, 1997.

SECTION 4. Emergency clause.