

1 AN ACT

2 relating to member contributions to certain retirement,
3 disability, and death benefit systems provided by certain cities
4 and towns.

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

6 SECTION 1. Section 2, Chapter 426, Acts of the 64th
7 Legislature, Regular Session, 1975 (Article 6243k, Vernon's Texas
8 Civil Statutes), is amended to read as follows:

9 Sec. 2. (a) An incorporated city or town may create a
10 retirement, disability, and death benefit system for its appointive
11 officers and employees if a majority of the qualified voters of the
12 city or town voting on the proposition approve the creation at an
13 election called for that purpose. Each member of the system shall
14 contribute to the system an amount determined by the city or town,
15 which, except as provided by Subsection (b), may not exceed 10
16 percent of the member's annual compensation paid by the city or
17 town, and the city or town shall contribute for each member an
18 amount that at least equals but is not more than twice the amount of
19 the member's contribution. A member of a municipal system is
20 eligible for disability benefits if he is disabled in the course of
21 his employment with the city or town. A member is eligible for
22 retirement benefits if he is 65 years old or older, or he is 60 years
23 old but less than 65 years old and has been employed by the city or
24 town for 25 years or more.

1 (b) Each member of a retirement, disability, and death
2 benefit system provided under this section by a city or town shall
3 contribute to the system an amount determined by the city or town
4 that may exceed 10 percent of the annual compensation paid to the
5 member by the city or town if the city or town:

6 (1) has a population of 500,000 or more; and

7 (2) is located in a county:

8 (A) that has a population of 1.4 million or more;

9 and

10 (B) in which two or more cities or towns that each
11 have a population of 300,000 or more are predominately located.

12 SECTION 2. This Act takes effect September 1, 2007.

David Newkirk

President of the Senate

Tom Craddick

Speaker of the House

I certify that H.B. No. 2870 was passed by the House on April 27, 2007, by the following vote: Yeas 133, Nays 0, 2 present, not voting.

Robert Honey
Chief Clerk of the House

I certify that H.B. No. 2870 was passed by the Senate on May 15, 2007, by the following vote: Yeas 30, Nays 0.

Datsy Saw
Secretary of the Senate

APPROVED: _____

Date

Governor

FILED IN THE OFFICE OF THE
SECRETARY OF STATE
10 PM O'CLOCK

JUN 15 2007

Roger Williams
Secretary of State



OFFICIAL MEMORANDUM
STATE OF TEXAS
OFFICE OF THE GOVERNOR
MESSAGE

I am allowing the following bills related to local retirement systems to become law without my signature: House Bill No. 1318, Austin Police Retirement System; House Bill No. 2751, San Antonio Retirement Health Care Fund for Firefighters and Police Officers; House Bill No. 2752, San Antonio Firefighter and Police Retirement Fund; House Bill No. 2870, City of Fort Worth Municipal Retirement System; House Bill No. 3355, El Paso Fire and Policemen's Pension Fund; Senate Bill No. 976, City of Fort Worth Municipal Retirement System; and Senate Bill No. 1626, City of Austin Police and Firefighters Retirement.

Each of these bills changes provisions of local retirement systems, which receive no administrative support or funding from the state. Codifying or approving changes to these systems at the state level is unnecessary as the municipalities have the ability to make changes under laws that have already been passed. Local retirement systems should be managed locally without state interference.

Following the Seventy-Eighth Legislative Session, I allowed House Bill No. 752 and Senate Bill No. 1696 to become law without my signature and stated that, "The Texas legislature should get out of the business of approving local retirement benefits for cities and municipalities. It is time that local officials take responsibility for their own programs and make fiscally responsible decisions." I am disappointed that the practice of approving changes to local retirement systems continues and will not sign these bills.



IN TESTIMONY WHEREOF, I
have signed my name officially
and caused the Seal of the State
to be affixed hereto at Austin,
this 15th day of June, 2007.

Rick Perry
RICK PERRY
Governor of Texas

ATTESTED BY:

Roger Williams
ROGER WILLIAMS
Secretary of State

FILED IN THE OFFICE OF THE
SECRETARY OF STATE
10 PM O'CLOCK
JUN 15 2007