

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

May 27, 2015

TO: Honorable Joe Straus, Speaker of the House, House of Representatives

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB408 by Turner, Chris (Relating to the retirement benefits for certain elected state officials.), **As Passed 2nd House**

<p>No significant fiscal implication to the State is anticipated.</p>
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The bill would amend Government Code to suspend or reduce benefits of elected public officials who commit an offense related to their public service. The bill would require the annuity payment to be resumed if the conviction is overturned.

The bill would also prevent members of the elected class, other than district attorneys and criminal district attorneys, from transferring elected class service to the employee class to receive employee class retirement benefits until the member is no longer in office. The bill would not restrict the ability of elected class members to retire and receive benefits as an employee-class member while in office, if they are eligible to retire with their employee class service.

The Employees Retirement System (ERS) indicates that the provisions of the bill could lead to a decrease in liabilities, resulting in some savings to the fund, the bill is not anticipated to have a significant impact on the fund due to the relatively small number of individuals assumed to be affected. ERS anticipates that any additional administrative costs associated with implementing the legislation could be absorbed within existing resources.

The bill would take effect immediately if it receives the required votes; otherwise, it would take effect on September 1, 2015. For the provisions of the bill relating to elected members convicted of an offense related to their public service, the bill would take effect September 1, 2015.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 327 Employees Retirement System

LBB Staff: UP, AG, EP, EMO