

FLOOR AMENDMENT NO. _____

BY: _____

1 Amend C.S.H.B. No. 3158 (senate committee printing) as
2 follows:

3 (1) In SECTION 1.02 of the bill, in amended Section 2.01,
4 Article 6243a-1, Revised Statutes (page 6, between lines 51 and
5 52), insert the following appropriately numbered subdivision and
6 renumber subsequent subdivisions of the section accordingly:

7 () "Two-thirds vote," in reference to a vote of all
8 the trustees, means a vote of 8 of the 11 trustees of the board.

9 (2) In SECTION 1.04 of the bill, strike added Section
10 2.025(a)(1), Article 6243a-1, Revised Statutes (page 7, lines 8
11 through 10), and substitute the following:

12 (1) conclusion regarding whether the pension system
13 meets State Pension Review Board pension funding guidelines; and

14 (3) In SECTION 1.04 of the bill, strike added Section
15 2.025(b), Article 6243a-1, Revised Statutes (page 7, lines 13
16 through 15), and substitute the following:

17 (b) Subject to Subsection (d) of this section, not later
18 than November 1, 2024, the board shall by rule adopt a plan that:

19 (1) complies with funding and amortization period
20 requirements applicable to the pension system under Subchapter C,
21 Chapter 802, Government Code; and

22 (2) takes into consideration the independent actuary's
23 recommendations under Subsection (a)(2) of this section.

24 (b-1) The board shall provide a copy of the analysis
25 prepared under Subsection (a) of this section and a summary of any
26 rules adopted by the board under Subsection (b) of this section to
27 the State Pension Review Board.

28 (4) In SECTION 1.04 of the bill, in added Section 2.025(d),
29 Article 6243a-1, Revised Statutes (page 7, lines 25 through 28),

1 strike "August 31, 2025, unless a law is enacted by the 89th
2 Legislature that authorizes the content of the rule. If a law is
3 enacted that authorizes the content of the rule, the rule continues
4 in effect until amended in accordance with this article" and
5 substitute the following:

6 :

7 (1) a law that is enacted by the legislature and
8 becomes law preempts the rule; or

9 (2) the board amends the rule and the amendment takes
10 effect, provided the board may only amend the rule if the pension
11 system complies with the funding and amortization period
12 requirements applicable to the pension system under Subchapter C,
13 Chapter 802, Government Code

14 (5) In SECTION 1.05 of the bill, in amended Section
15 3.01(b)(1), Article 6243a-1, Revised Statutes (page 7, line 53),
16 between "mayor" and the underlined semicolon, insert ", in
17 consultation with the city council".

18 (6) In SECTION 1.05 of the bill, strike added Section
19 3.01(j-10), Article 6243a-1, Revised Statutes (page 10, lines 54
20 through 58), and substitute the following:

21 (j-10) An employee or other agent acting on behalf of the
22 pension system or the city must certify to the State Pension Review
23 Board that any information provided by the pension system or city,
24 as appropriate, under this article or other law is accurate and
25 based on realistic assumptions.

26 (7) In SECTION 1.05 of the bill, in added Section
27 3.01(o)(2), Article 6243a-1, Revised Statutes (page 11, line 4),
28 strike "two-thirds of the trustees" and substitute "at least a
29 two-thirds vote of all the trustees".

30 (8) In SECTION 1.10 of the bill, in added Section 3.04(b-3),
31 Article 6243a-1, Revised Statutes (page 14, line 46), strike

1 "third" and substitute "second".

2 (9) In SECTION 1.10 of the bill, in added Section 3.04(d),
3 Article 6243a-1, Revised Statutes (page 14, line 58), strike "The"
4 and substitute "If acting in the executive director's own
5 discretion, the".

6 (10) In SECTION 1.10 of the bill, in added Section 3.04(d),
7 Article 6243a-1, Revised Statutes (page 14, line 62), after the
8 period, insert "If the executive director is acting at the
9 direction of the board and not exercising the executive director's
10 own discretion, the executive director does not owe a fiduciary
11 duty under this subsection."

12 (11) In SECTION 1.12 of the bill, in added Section
13 4.02(b)(3), Article 6243a-1, Revised Statutes (page 15, line 44),
14 between "by" and "a", insert "at least".

15 (12) In SECTION 1.12 of the bill, in added Section
16 4.02(d)(1)(B), Article 6243a-1, Revised Statutes (page 15, lines 56
17 and 57), strike "except as provided by Section 4.021(b)(1) of this
18 article,".

19 (13) In SECTION 1.12 of the bill, in amended Section
20 4.02(d)(1)(B)(iv), Article 6243a-1, Revised Statutes (page 15,
21 line 68) strike "\$5,724,203" and substitute "\$5,724,000".

22 (14) In SECTION 1.12 of the bill, in amended Section
23 4.02(d)(2), Article 6243a-1, Revised Statutes (page 16, line 20),
24 strike "or Section 4.021(b)(2) of this article".

25 (15) In SECTION 1.12 of the bill, in amended Section
26 4.02(d)(2), Article 6243a-1, Revised Statutes (page 16, line 21),
27 strike "\$11" and substitute "\$13".

28 (16) In the recital to SECTION 1.13 of the bill (page 16,
29 line 43), strike "Sections 4.021 and" and substitute "Section".

30 (17) In SECTION 1.13 of the bill, strike added Section
31 4.021, Article 6243a-1, Revised Statutes (page 16, line 44, through

1 page 17, line 38).

2 (18) In SECTION 1.18 of the bill, in added Section 4.071,
3 Article 6243a-1, Revised Statutes (page 21, line 22), between "by"
4 and "a", insert "at least".

5 (19) In SECTION 1.21 of the bill, strike Section 5.01(a-1),
6 Article 6243a-1, Revised Statutes (page 22, lines 19 through 23),
7 and substitute the following:

8 (a-1) Group A or Group B members do not include any employee
9 of the city who is:

10 (1) required by ordinance or who elects, in accordance
11 with an ordinance, to participate in an alternative benefit plan
12 established under Section 3.01(j-1)(2) of this article based on an
13 evaluation under Section 3.01(j-5)(2) of this article; or

14 (2) required by ordinance to participate in an
15 alternative benefit plan established under Section 810.002,
16 Government Code.

17 (20) In SECTION 1.28 of the bill, in added Section
18 6.02(c-2), Article 6243a-1, Revised Statutes (page 33, line 56),
19 strike "If, for purposes of Subsection (c-1) of this section," and
20 substitute "Subject to Subsection (d-3) of this section and for
21 purposes of Subsection (c-1) of this section, if".

22 (21) In SECTION 1.28 of the bill, in added Section
23 6.02(d-2), Article 6243a-1, Revised Statutes (page 34, line 42),
24 strike "If, for purposes of Subsection (d) of this section," and
25 substitute "Subject to Subsection (d-3) of this section and for
26 purposes of Subsection (d) of this section, if".

27 (22) In SECTION 1.28 of the bill, in amended Section 6.02,
28 Article 6243a-1, Revised Statutes (page 34, between lines 54 and
29 55), insert the following:

30 (d-3) For purposes of Subsections (c-2) and (d-2) of this
31 section, a Group B member's pension benefit calculated under

1 Subsection (b) of this section shall be calculated without
2 application of any reduction under Subsection (b-1) of this
3 section.

4 (23) In SECTION 1.41 of the bill, in added Section 6.12(b),
5 Article 6243a-1, Revised Statutes (page 58, line 22), strike
6 "shall" and substitute "may".

7 (24) In SECTION 1.47 of the bill, in added Section 6A.01(a),
8 Article 6243a-1, Revised Statutes (page 67, line 3), between "by"
9 and "a", insert "at least".

10 (25) In ARTICLE 1 of the bill, add the following
11 appropriately numbered SECTION and renumber subsequent SECTIONS of
12 that ARTICLE accordingly:

13 SECTION 1.____. Chapter 810, Government Code, is amended by
14 adding Section 810.002 to read as follows:

15 Sec. 810.002. ALTERNATIVE BENEFIT PLAN FOR CERTAIN
16 MUNICIPALITIES. (a) In this section, "alternative benefit plan"
17 means a continuing, organized benefit plan, including a plan
18 qualified under Section 401(a) of the Internal Revenue Code of
19 1986, of service retirement, disability retirement, or death
20 benefits for officers or employees of a municipality, other than:

21 (1) a program providing only workers' compensation
22 benefits; or

23 (2) a program administered by the federal government.

24 (b) This section applies only to a municipality subject to
25 Article 6243a-1, Revised Statutes.

26 (c) Notwithstanding any other law and subject to Subsection
27 (f), the governing body of a municipality subject to this section
28 may by ordinance:

29 (1) establish an alternative benefit plan and
30 determine the benefits, funding source and amount, and
31 administration of the alternative benefit plan; and

1 (2) require an employee first hired by the
2 municipality on or after the date the alternative benefit plan is
3 implemented to participate in the alternative benefit plan instead
4 of participating in the pension system provided under Article
5 6243a-1, Revised Statutes.

6 (d) Each active participant of an alternative benefit plan
7 established under this section shall contribute to the plan an
8 amount, if any, determined by the municipality. The municipality
9 shall contribute for each active participant in an alternative
10 benefit plan established under Subsection (c) an amount determined
11 by the municipality.

12 (e) A municipality that establishes an alternative benefit
13 plan under this section shall file all reports with the State
14 Pension Review Board required by Chapter 802.

15 (f) The governing body of a municipality may only establish
16 an alternative benefit plan under this section if:

17 (1) the qualified actuary of the pension system
18 established under Article 6243a-1, Revised Statutes, determines
19 that after establishment and implementation of the alternative
20 benefit plan, the pension system would continue to comply with
21 funding and amortization period requirements applicable to the
22 pension system under Subchapter C, Chapter 802; and

23 (2) the State Pension Review Board conducts a review
24 of the determination made under Subdivision (1).

25 (26) In the heading of ARTICLE 2 of the bill (page 76, line
26 29) strike "LUMP-SUM".

27 (27) In SECTION 2.01 of the bill, in the section heading for
28 added Section 6.142, Article 6243a-1, Revised Statutes (page 76,
29 line 32), strike "LUMP-SUM".

30 (28) In SECTION 2.01 of the bill, in added Section 6.142(a),
31 Article 6243a-1, Revised Statutes (page 76, lines 34 through 36),

1 strike "distribute or allow the distribution of the balance of a
2 DROP participant's DROP account under a single-sum or other
3 lump-sum distribution" and substitute "allow any distribution out
4 of a DROP participant's DROP account".

5 (29) In SECTION 2.01 of the bill, in added Section 6.142(a),
6 Article 6243a-1, Revised Statutes (page 76, between lines 40 and
7 41), insert the following subdivision and renumber subsequent
8 subdivisions of the subsection and cross-references to those
9 subdivisions accordingly:

10 (2) for purposes of making a minimum annual
11 distribution, as described in Section 7 of the DROP addendum policy
12 adopted by the board that took effect on January 12, 2017;

13 (30) In SECTION 3.02(a) of the bill (page 76, lines 54 and
14 55), strike "Subsections (b), (d), and (e)" and substitute
15 "Subsections (b) and (d)".

16 (31) In SECTION 3.02(b) of the bill (page 76, line 61),
17 strike "Except as provided by Subsection (e) of this section,".

18 (32) In SECTION 3.02(b) of the bill (page 76, line 66),
19 after the period, insert "At the request of the State Pension Review
20 Board and within the time prescribed by the State Pension Review
21 Board, the board of trustees shall provide the data or other
22 information requested by the State Pension Review Board for
23 purposes of making a determination under this subsection."

24 (33) In SECTION 3.02 of the bill (page 77, between lines 12
25 and 13), insert the following:

26 (c-1) The State Pension Review Board shall make the
27 determination described by Subsection (c) of this section based on
28 the data or other information that:

29 (1) is in the State Pension Review Board's possession
30 on or before August 31, 2017; and

31 (2) was provided with enough time for the State

1 Pension Review Board to reasonably use the information to make a
2 determination under this section.

3 (34) Strike SECTION 3.02(e) of the bill (page 77, lines 16
4 through 20).