

**JIM MURPHY**  
Member  
HOUSE OF REPRESENTATIVES  
District 133 • Harris County



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MAR 10 2016

OPINION COMMITTEE

March 8, 2016

The Honorable Ken Paxton  
Attorney General of Texas  
Attention Opinion Committee  
P.O. Box 12458  
Austin, TX 78711-2548

FILE # ML-47983-16  
ID. # 47983

**RQ-0101-KP**

Dear General Paxton,

I am writing to request your formal opinion on a question related to those municipal retirement systems of which some or all of their pension plans have been put into state statute.

As of 2015, Texas has thirteen local retirement systems specifically enabled by state statute, with their provisions located in Article 6243, Vernon's Civil Statutes (also known as Title 109). Local retirement systems established in Title 109 have "their contribution rates, benefit levels and the composition of their board of trustees set in state statute," according to the Texas Pension Review Board.

Rising pension and health care costs, unpredictable revenues, aging infrastructure, high debt load, and increasing costs for the delivery of city services threaten municipalities' ability to balance budgets and maintain strong credit ratings. When these challenges put municipalities at risk for defaulting, does the oversight role played by the State Legislature in these specific municipal retirement systems cause the State to assume some or all of the liability? Should one of these specific municipal retirement systems fail to meet its obligations, is the State responsible for ensuring that agreed upon payments are made?

With respect to the size of these pension systems and their impact on city budgets, and the role played by the State Legislature in their creation and maintenance, it is imperative that the Legislature have a clear understanding of the consequences of decisions made in regards to these municipal retirement systems.

Thank you in advance for your consideration of this matter. Please contact me if you need any additional information regarding this request.

Best regards,

A handwritten signature in black ink that reads "Jim Murphy".

Representative Jim Murphy