



87th Legislative Session:
Update for Texas Public Pension Plans

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Overview of Topics



- Changes to PRB Investment Practices Reporting and Funding Policy
- Changes to the Funding Soundness Restoration Plan Provisions
- Pension-Reform Bills Impacting Specific Retirement Systems
- Expansion to Qualified Domestic Relations Orders (QDROs)
- Public Fund Investment and Contracting Requirements
- Public Safety Bills That Could Impact Pensions
- Open Meetings, Public Information, Etc.
- Special Session



Changes to PRB Investment Practices Reporting and Funding Policy Requirements

HB 3898: *Relating to the funding of public retirement systems.*

- *Effective September 1, 2021*

Key Provisions

- Changes to Investment Practices Reporting under §802.109, Gov't Code
- Changes to Funding Policy Requirements under §802.2011, Gov't Code
- Changes to the Funding Soundness Restoration Plan (FSRP) Provisions under §§802.2015, TX Gov't Code

Investment Practices Reporting

- §802.109, TX Gov't Code, was enacted in 2019
- Under Existing Law:
 - Independent firm must evaluate and make recommendations for improving a public retirement system's investment policies, procedures, and practices
 - Existing relationship with the system is ok so long as the firm does not directly or indirectly manage investments of the system
 - Applies to all Texas retirement systems with assets in excess of \$30 million

Changes to PRB Investment Practices Reporting (cont'd)



Changes under HB 3898

- Adds qualification and independence requirements that must be addressed in the independent firm's report
- Implements new process for review and comment by retirement system board
- Clarifies that frequency of report is based on amount of assets on the last day of the preceding fiscal year
- Provides that governmental employer may pay the costs of the evaluation (previously costs were paid fully by retirement system)

Changes to PRB Investment Practices Reporting (cont'd)



Additional qualification and independence requirements:

1. Summary of the independent firm's experience in evaluating investment performance and practices
2. Statement disclosing the nature of any existing relationship between the firm (or an affiliate) and the system (or a board member) and confirmation of no direct or indirect management of investments
3. List of types of remuneration received from sources other than the system for services provided to the system
4. Identification of any potential conflict of interest or appearance of a conflict of interest
5. Explanation of whether to include a recommendation for each of the evaluated matters
 - No change in list of matters to be evaluated

Changes to PRB Investment Practices Reporting (cont'd)



Revised process for approving and filing report:

- Previously, report was due to board of retirement system by May 1st and board had 30 days to submit to PRB
- New process under HB 3898 provides for review and comment by the retirement system after the independent firm completes its evaluation

Changes to PRB Investment Practices Reporting (cont'd)



- Timeline for Review and Comment
 - Within 30 days of completing an evaluation, investment firm submits a draft report to the system for discussion and clarification
 - System has 30 days to respond with a description of any action taken or expected to be taken in response to a recommendation or a written response that the system wants to accompany the final report
 - Independent firm will file the final evaluation with the system's board within 31-60 days after the date the draft was submitted, or if later, by May 1st of the year following the year in which the system is evaluated
 - System must submit the final report to PRB within 30 days after receiving final report

Funding Policy Requirements

- §802.2011, TX Gov't Code, was enacted in 2019
- Under Existing Law:
 - Public retirement systems must adopt a written funding policy that details a plan for achieving a funded ratio of the system that is equal to or greater than 100%
 - Funding policy must be adopted by the board of the system, maintained at the system's office for public review, filed with the PRB, and submitted to the system's sponsoring governmental entity

Changes to PRB Funding Policy Requirements (cont'd)



Changes under HB 3898

- Non-statewide plans must work jointly with sponsoring governmental entity to develop and adopt a funding policy
 - Statewide plans (ERS, TRS, TCDRS, TMRS and TESRS) are exempt
- Timely revise funding policy to reflect significant changes
- Post most recent funding policy on a publicly available website
- Outline automatic contribution or benefit changes designed to prevent having to formulate a revised FSRP (automatic risk-sharing, ADC or ADEC structures, adjustable benefit or contribution mechanisms)



Changes to the Funding Soundness Restoration Plan (FSRP) Provisions

Changes to the FSRP Provisions



HB 3898: *Relating to the funding of public retirement systems.*

- *Effective September 1, 2021*

Amendment to FSRP Provisions under §802.2015

- Funding soundness restoration plan (FSRP) is a plan that outlines how an underfunded system will achieve a contribution rate that will be sufficient to amortize the unfunded actuarial accrued liability within a defined period of time
- Overseen by the PRB

Changes to the FSRP Provisions (cont'd)



Under Existing Law:

- Notice must be given to associated governmental entity once the system's amortization period exceeds 40 years
- FSRP is required if a system receives three consecutive annual actuarial valuations showing that the amortization period exceeds 40 years (or two valuations if not performed annually)
- Existing law will continue to apply to FSRPs formulated prior to September 1, 2021 so long as system adheres to such plan and the amortization period does not exceed 40 years

Changes Under HB 3898

- Notice must be given to governmental entity once the system's amortization period exceeds 30 years (down from 40 years)
- Changes triggering event for FSRP:
 - *Beginning September 1, 2021 but prior to September 1, 2025: three consecutive annual actuarial valuations (or two valuations if not performed annually) showing expected amortization period of more than 30 years (down from 40 years)*
 - *On or after September 1, 2025: one actuarial valuation showing expected amortization period of (i) more than 40 years or (ii) more than 30 years and the funded ratio is less than 65%*

Additional requirements for plans that must adopt a FSRP

- Work jointly with sponsoring governmental entity to develop FSRP
- Designed to result in an amortization period of 30 years (down from 40 years) by the later of (i) second anniversary of the date of the valuation that triggered the FSRP or (ii) September 1, 2025
- Based on actions approved by and agreed to be taken by both the system and the governmental entity
- Adopted at an open meeting of both the board of the system and the governmental entity
- Cannot include actions that are subject to future approval

Changes to the FSRP Provisions (cont'd)



Revised FSRP not required if actuarial valuation shows amortization period is more than 30 years but less than or equal to 40 years and the system is:

1. Adhering to an existing FSRP that was adopted prior to September 1, 2025 or
2. Implementing (or will implement) a contribution rate structure based on an ADC and is expected to achieve full funding based on actuarial valuation

Changes to the FSRP Provisions (cont'd)



If a system has an existing FSRP but triggers the FSRP rules again within 10 years, it must adopt a revised FSRP subject to stricter rules

- Revised FSRP must be designed to result in an amortization period of 25 years (down from 40 years) by the second anniversary of the date of the valuation that triggered the revised FSRP
- Based on actions approved by and agreed to be taken by both the system and the governmental entity
- Adopted at an open meeting of both the board of the system and the governmental entity

PRB Reporting and Monitoring

- Plans with FSRPs should submit an actuarial valuation showing the combined impact of the FSRP to the PRB within 90 days of adoption or PRB may request a separate analysis of combined impact of all changes under FSRP
- Valuation or analysis should include:
 - Actuarial projection of system's future assets and liabilities between the valuation date and the date the system will achieve full funding, and
 - Description of all assumptions and methods used in the analysis (in accordance with actuarial standards of practice)



Pension-Reform Bills Impacting Specific Retirement Systems

SB 321: Relating to contributions to, benefits from, and the administration of the Employees Retirement System of Texas.

- *Effective September 1, 2021*

• DB Plan Contribution Changes

- Provides for increased contributions by the State of Texas to ERS to address unfunded liability
 - Annual compensation-based payment from State increased from 7.4% to 9.5%
 - Actuarially determined annual “Legacy Payments” to pay off unfunded liability by August 31, 2054

Pension Reform Bills (cont'd)



New Cash Balance Plan

- New Tier: For new employees or elected members who took office starting September 1, 2022
- Cash Balance Plan: Hybrid plan that provides for member contributions, plus interest, to be made to an employee savings account during employment
- Member Contributions:
 - Contribute 6% of compensation each payroll period on pre-tax basis
 - Additional 2% contributions for law enforcement and custodial officers
- Interest Credits:
 - Interest credited annually at rate of 4% based on account balance
 - Additional gain sharing interest from 0%-3% may be credited based on average return on investments of System

Pension Reform Bills (cont'd)



- State Match: The state will contribute a “match” to the employee’s account at retirement determined as follows:
 - Generally, by multiplying the member’s accumulated account balance by 150%
 - Special rules for law enforcement and custodial officers
- Retirement Benefit: At retirement, member can elect to receive benefits in form of annuity -- based on employee accumulated balance and the state match annuitized over the life expectancy of the member at retirement
 - Death and disability benefits also available

Pension Reform Bills (cont'd)



HB 4368: Relating to participation in, contributions to, and the benefits and administration of retirement systems for police officers in certain municipalities. (Austin Police Retirement System)

- *Effective September 1, 2021*

Key Provisions

- New benefit tier for new hires on or after January 1, 2022
- Board governance changes
- Contribution changes
- Process for review of actuarial experience study by plan sponsor
- Repealed Board's authority to make certain benefit changes and grant COLAs

Pension Reform Bills (cont'd)



- Benefit Changes – New Tier for New Hires (and certain rehires)
 - Group A – existing members
 - Average final compensation based on highest 36 months
 - Multiplier of 3.2%
 - Eligibility:
 - 55 years old and 20 years of service or
 - 23 years of service
 - Group B – new hires on or after January 1, 2022
 - Average final compensation based on highest 60 months
 - Multiplier of 2.5%
 - Eligibility: 50 years old and 25 years of service

Pension Reform Bills (cont'd)



- Governance Changes
 - 11 member Board (did not change)
 - Active police member positions reduced from 5 to 4
 - Added a citizen position to be appointed by City Council:
 - Legally qualified voter of City of Austin
 - Is and has been a resident of the City of Austin for 5 years, and
 - Has demonstrated experience in field of finance or investments

Pension Reform Bills (cont'd)



- Contribution Changes
 - Employee Contributions – increased by 2% to 15% of pay as of January 1, 2022 (could increase to maximum of 17%)
 - Employer Contributions
 - ADEC Model – employer contributions will be equal to the rate that would be required to maintain an amortization period of no more than 30 years (excluding the legacy liability) based on annual actuarial valuations
 - Must stay within corridor of 5% above or below projected midpoint
 - Phase-in over first three calendar years
 - Legacy Contribution – fixed payments over 30 years based on unfunded actuarial accrued liability as of December 31, 2020



Expansion to Qualified Domestic Relations Orders (QDROs)

Expansion to Qualified Domestic Relations Orders (QDROs)



HB 867: Relating to the issuance of a qualified domestic relations order for the payment of spousal maintenance and child support obligations.

- *Effective September 1, 2021*

Key Provisions

- Allows for spousal maintenance and child support to be paid from employee benefits through a qualified domestic relations order (QDRO)
- Not specific to public pension plans – applies to all pension, retirement plans, or other employee benefits whether private, federal or state
- QDRO law applicable to Texas public pension plans prevails (Chapter 804)
- Once effective, the law applies to all maintenance and child support orders, whether rendered before, on or after September 1, 2021

Expansion to Qualified Domestic Relations Orders (QDROs) (cont'd)



- Spousal maintenance (*Chapter 8, Texas Family Code*)
 - *Maintenance* means an award in a suit for dissolution of a marriage of periodic payments from the future income of one spouse for the support of the other spouse
 - Maintenance is payable to a spouse who lacks sufficient property on dissolution of a marriage to provide for the spouse's minimum reasonable needs in certain circumstances
 - Payable for a fixed amount of time (maximum of 5, 7 or 10 years depending on the circumstances)
 - QDRO may include both current maintenance and arrears with interest

Expansion to Qualified Domestic Relations Orders (QDROs) (cont'd)



- Child support (*Chapters 154 and 157, Texas Family Code*)
 - QDRO may include a temporary or final order for child support, medical support, or dental support and arrears with interest
 - May be payable until:
 - (1) later of when the child reaches 18 years of age or graduates from high school,
 - (2) child is emancipated through marriage, removal of disabilities of minority by court order, or by other operation of law,
 - (3) death, or
 - (4) if the child is disabled, for an indefinite period.

Expansion to Qualified Domestic Relations Orders (QDROs) (cont'd)



- Chapter 804, Government Code, prevails
 - Plan administrators have the authority to determine if a DRO satisfies the requirements to be a Qualified DRO (QDRO).
 - To be a QDRO, a DRO must satisfy the requirements of §804.003(f).
 - A plan administrator may reject a DRO in certain circumstances under §804.003(g), including non-conformance with the system's model QDRO form, if the system requires such form be used.



Public Fund Investment and Contracting Requirements

SB 13: Relating to contracts with and investments in companies that boycott certain energy companies.

- *Effective September 1, 2021*

Key Provisions

- Similar to the “boycott Israel” bill passed in 2017
- Applies to “state governmental entities” (ERS, TRS, TMRS, TCDRS, TESRS, and the permanent school fund)
- Prohibits state governmental entities from investing with a company who boycotts energy companies, except in limited circumstances

Public Fund Investments (cont'd)



- “Boycott energy company” means a financial company that, without an ordinary business purpose, refuses to deal with, terminates business activities with, or otherwise takes any action that is intended to penalize, inflict economic harm on, or limit commercial relations with a company because the company engages in the exploration, production, utilization, transportation, sale, or manufacturing of fossil fuel-based energy and does not commit or pledge to meet environmental standards beyond applicable federal and state law or does business with a company described above
- “Financial company” means a publicly traded financial services, banking or investment company

Public Fund Investments(cont'd)



Impact on Public Pension Plans

- Only applies to statewide retirement plans
- Comptroller will prepare and maintain a list of all financial companies that boycott energy companies and will provide to plans annually
- Notify the comptroller of any direct or indirect holdings in one of the listed companies within 30 days of receiving the list
- Send written notice to each company in which it has a holding of its status as a listed financial company, a warning that it may become subject to divestment, and offering the company an opportunity to clarify its activities

Public Fund Investments (cont'd)



Impact on Public Pension Plans (cont'd)

- If the company does not cease such activities within 90 days, statewide plans must sell, redeem, divest, or withdraw all publicly traded securities of such company (50% within 180 days, and 100% within 360 days)
- Not required to divest of indirect holdings in actively or passively managed funds but must submit a letter requesting that the fund remove such holdings from the fund or create a similar fund without those holdings
- Fiduciary carve-outs
 - May delay divestment if it will likely result in a loss in value or a benchmark deviation (must file report with both Houses and the AG)
 - Not subject to these requirements if inconsistent with fiduciary responsibility imposed by law and the Texas Constitution

SB 13: Relating to contracts with and investments in companies that boycott certain energy companies.

- *Effective September 1, 2021*

Key Provisions

- State agencies and political subdivisions may not enter into a contract for goods or services that has a value of \$100,000 or more with a company that has 10 or more full-time employees unless the contract requires the vendor to verify that it does not – and will not – boycott energy companies during the term of the contract.
- Must have a provision in the contract that specifically addresses this

Public Fund Contracting (cont'd)



- Applies to “Governmental entities” under §2251.001, TX Gov’t Code, which includes:
 - “State agency”: Includes a board, commission, department, office, or other agency in the executive branch of state government that is created by the constitution or a statute of this state...
 - "Political subdivision" means:
 - (A) a county;
 - (B) a municipality;
 - (C) a public school district; or
 - (D) a special-purpose district or authority.

SB 19: Relating to prohibited contracts with companies that discriminate against the firearm or ammunition industries.

- *Effective September 1, 2021*

Key Provisions

- State agencies and political subdivisions may not enter into a contract for goods or services that has a value of \$100,000 or more with a company that has 10 or more full-time employees unless the contract requires the vendor to verify that it does not – and will not during the term of the contract – have a practice, policy, guidance or directive that discriminates against a firearm entity or firearm trade association.
- Must have a provision in the contract that specifically addresses this
- Applies to state agencies and political subdivisions under §2251.001, Gov't Code (see prior slide)

Public Fund Contracting (cont'd)



SB 2116: Relating to prohibiting contracts or other agreements with certain foreign-owned companies in connection with critical infrastructure in this state.

- *“Lone Star Infrastructure Protection Act”*
- *Effective June 18, 2021 – effective immediately*

Key Provisions

- Intended to prohibit certain designated countries, or companies with ties to those countries, from being granted access to critical infrastructure in the State of Texas
- Applies to China, Iran, North Korea, Russia, or other countries that are a threat to critical infrastructure as designated by the Governor
- “Critical infrastructure” means a communication infrastructure system, cybersecurity system, electric grid, hazardous waste treatment system, or water treatment facility
- Applies to state agencies and political subdivisions – not defined in statute

Public Fund Contracting (cont'd)



- State agencies and political subdivisions may not enter into a contract relating to critical infrastructure with a company:
 - (1) if, under the contract or other agreement, the company would be granted direct or remote access to or control of critical infrastructure in this state, excluding access specifically allowed by the governmental entity for product warranty and support purposes; and
 - (2) if the governmental entity knows that the company is:
 - (A) owned by or the majority of stock or other ownership interest of the company is held or controlled by:
 - (i) individuals who are citizens of China, Iran, North Korea, Russia, or a designated country; or
 - (ii) a company or other entity, including a governmental entity, that is owned or controlled by citizens of or is directly controlled by the government of China, Iran, North Korea, Russia, or a designated country; or
 - (B) headquartered in China, Iran, North Korea, Russia, or a designated country.

Public Safety Bills That Could Impact Pensions

HB 1900: Relating to municipalities that adopt budgets that defund municipal police departments.

- *Effective September 1, 2021*

Key Provisions for Pension Plans

- Criminal Justice Division of AG's office will determine which municipalities are considered "defunding municipalities"
- Defunding municipality will have limited annexation and taxing powers
- Adds §810.006, TX Gov't Code, regarding minimum funding requirements for retirement plans of defunding municipalities

Public Safety Bills (cont'd)



- “Defunding Municipality”
 - Municipality with a population of 250,000 or more:
 - (1) that adopts a budget for a fiscal year that, in comparison to the municipality's preceding fiscal year, reduces the appropriation to the municipality's police department; and
 - (2) for which the criminal justice division issues a written determination finding that the municipality has made the reduction above.
 - Certain exceptions apply for overall budget reductions or reductions approved by the Criminal Justice Division
 - Status continues until the municipality reverses the reduction

- §810.006: Minimum Retirement Funding Requirements for Defunding Municipalities
 - Only applies to a defunding municipality that is an employer of active members of a public retirement system administering a defined benefit plan
 - Defunding municipality shall increase municipal contributions to a public retirement system to ensure that the total amount contributed by members and the municipality is not less than the total amount contributed during the immediately preceding fiscal year
 - Increase continues until no longer a defunding municipality

SB 22: Relating to certain claims for benefits, compensation, or assistance by certain public safety employees and survivors of certain public safety employees.

- *Signed June 14, 2021 – effective immediately*

- Key Provisions

- Certain public safety employees who contract COVID and are disabled or die as a result of such disease are presumed to have contracted the disease during the course and scope of employment (i.e., on duty)
- No direct amendment to a public pension plan statute, but rebuttable presumption applies for purposes of benefits or compensation provided under another employee benefit, law, or plan, including a pension plan

Public Safety Bills (cont'd)



- Amends Chapter 607, TX Gov't Code
- Applies to public safety employees who are employed for five or more years and seek benefits for a covered disease that is discovered during employment and for which a physical examination failed to reveal prior to or during employment
- Public safety employees include:
 - Firefighters
 - Emergency medical technicians
 - Peace officers

Public Safety Bills (cont'd)



- COVID presumption only applies to persons who are
 - (1) employed as a public safety employee on a full-time basis in the area of the disaster and contracts COVID during a disaster declaration,
 - (2) diagnosed with COVID using a test authorized, approved or licensed by the US FDA or, in the case of death, by a physician, and
 - (3) was last on duty not more than 15 days prior to the person's diagnosis or, in the case of death, not more than 15 days prior to the date (i) of diagnosis, (ii) that they began to show symptoms, (iii) that they were hospitalized for COVID symptoms, or (iv) died if COVID was a contributing factor in the person's death

Public Safety Bills (cont'd)



Applicability

- Presumption only applies in certain cases and expires September 1, 2023
- May apply to past and future claims
 1. Claim for benefits pending on or filed on or after June 14, 2021
 2. Claims related to an individual who contracted COVID during the Governor's disaster declaration, regardless of whether the claim would otherwise be considered untimely, if filed within 6 months after June 14, 2021
 3. Previously filed and denied claims may be reprocessed

Open Meetings, Public Information Act, Etc.

Texas Open Meetings Developments



- Multiple bills were filed which would have allowed more flexibility for virtual meeting options in the future, but none of those passed.
- The few open meetings bills that passed were related to specific types of entities and do not have general applicability to governmental bodies.
- Existing TOMA laws continue to apply.

TOMA Guidelines in a Post-COVID Environment



- Governor's suspension of TOMA rules is set to expire on September 1, 2021
- Existing law governing meetings via videoconference and teleconference will apply (*TX Gov't Code, §§551.125, 551.127*)
 - Physical location where a quorum will be present is required and must be open to the public
 - If a member attends by videoconference, the feed must be broadcast at the physical location and there must be two-way video and audio feeds that are visible to all participants and the public at all times during meeting
 - Recording of the meeting must be made available to the public
 - Equipment must meet or exceed the minimum technical standards for videoconferencing established by the International Telecommunications Union
 - Teleconference meetings only available if an emergency or public necessity exists and if convening a quorum physically is difficult or impossible

SB 841: Relating to the availability of personal information of individuals who are honorably retired from certain law enforcement positions.

- *Effective June 14, 2021 – effective immediately*

Key Provisions

- Makes certain personal information about peace officers who are current or honorably retired peace officers confidential
- Existing law only protected information of current peace officers

SB 1225: Relating to the authority of a governmental body impacted by a catastrophe to temporarily suspend the requirements of the public information law.

- *Effective September 1, 2021*
- Under Existing Law (§552.233, TX Gov't Code)
 - Provides for a temporary suspension of the required time to respond to a PIA request in the event a system is impacted by a catastrophe (such as natural disasters, power or communication failures, epidemic, or actual or threatened acts of lawlessness or violence).
 - Process and limitations for invoking suspension up to 7 days

Changes under SB 1225

- Result of the closure of many governmental offices during the COVID pandemic
- Clarifies that a “catastrophe” for purposes of the PIA (and for triggering a suspension period for responding to PIA requests) does not include a period when staff is working remotely and can access responsive information electronically
- Governmental bodies must make a good faith effort to continue to respond to PIA requests when their administrative office is closed

Right to Carry Bill



HB 1927: Relating to provisions governing the carrying of a firearm by a person who is 21 years of age or older and not otherwise prohibited by state or federal law from possessing the firearm and to other provisions related to the carrying, possessing, transporting, or storing of a firearm or other weapon; creating criminal offenses.

- *Effective September 1, 2021*

Key Provisions

- Generally, permits a person who is 21 years of age or older and not otherwise prohibited by state or federal law from possessing a firearm to carry a firearm in public without a license
- Impact on public meetings
- Impact on public retirement systems as a governmental employer

Right to Carry and Public Meetings



- Existing Law
 - TX Penal Code, §46.035(c): Offense to intentionally, knowingly, or recklessly carry a handgun into the room or rooms where an open meeting is held
 - TX Penal Code, §46.035(i): Effective notice must be given under Sections 30.06 and 30.07 of TX Penal Code in order for §46.035(c) to apply
 - Notice under §30.06 (concealed) and §30.07 (openly carried) generally provided by:
 - A card or other document with specific language prohibiting the carrying of a handgun, or
 - A sign posted on the property that:
 - (i) includes the language described above in both English and Spanish;
 - (ii) appears in contrasting colors with block letters at least one inch in height; and
 - (iii) is displayed in a conspicuous manner clearly visible to the public.
 - AG has interpreted this to mean notice must be posted at the entrance to the room or rooms where the open meeting will be held rather than the building as a whole (TX AG Op., KP-0098 (2016))

Right to Carry and Public Meetings



- Effective September 1, 2021:
 - §46.035, TX Penal Code, is repealed
 - Offense (3rd degree felony) to intentionally, knowingly, or recklessly possess or go with a firearm in the room or rooms where a meeting of a governmental entity is held, if the meeting is an open meeting under TOMA and if proper notice was given (§46.03(a)(14), TX Penal Code)
 - Exception: Offense in §46.03(a)(14) does not apply to a person who is licensed to carry and the handgun is concealed or is in a holster. (§46.15(b), TX Penal Code)
 - Exception is no longer contingent upon providing effective notice under §§30.06 and 30.07
 - However, notice that firearms and other weapons are prohibited may still be warranted (See Section 46.03(p), TX Penal Code)

Right to Carry and Governmental Employers

- Sections 52.061 and 52.062, TX Labor Code did not materially change with HB 1927
 - §52.061: Public and private employers may not prohibit an employee who is licensed to carry, who otherwise lawfully possesses a firearm, or who lawfully possesses ammunition from transporting or storing a firearm or ammunition the employee is authorized by law to possess in a locked, privately owned motor vehicle in a parking lot, parking garage, or other parking area the employer provides for employees.
 - §52.062: Employer may prohibit employees from possessing a firearm the employee is otherwise authorized by law to possess on the premises of the employer's business.



Special Session

SB 24: Relating to state investments in social media companies that censor political speech.

- *Referred to State Affairs on July 8, 2021*

Key Provisions

- Almost identical to SB 1158 filed during regular session
- Similar to the “boycott Israel” bill passed in 2017 and boycott energy company bill (SB 13) passed in regular session
- Applies to “state governmental entities” (ERS, TRS, TMRS, TCDRS, TESRS, and the permanent school fund)
- Prohibits investments with companies that own social media websites that censor political speech designated by the AG, except in limited circumstances
- No contracting provision included

Special Session (cont'd)



- “Social media website” means an Internet website or application that is open to the public and enables users to communicate with each other by posting information, comments, messages, or images. The term does not include a website or application:
 - (A) with 75 million or fewer users;
 - (B) that has been affiliated with a religion or political party;
 - (C) that is primarily used as an e-mail service; or
 - (D) that consists primarily of content, such as news, sports, or entertainment content, that:
 - (i) is curated by the owner or operator of the website or application and is not user-generated; and
 - (ii) provides the basis for any chat, comment, or interactive functionality on the website or application.

Special Session (cont'd)



- “Political speech” means speech relating to the state, government, public administration, government policymaking, including speech by a governmental entity or candidates for public office, and social issues.
- A company censors political speech by:
 - (1) removing, banning, or demonetizing a user on the basis that the user posted, uploaded, transmitted, or published political speech; or
 - (2) otherwise restricts a user’s ability to post, upload, transmit, or publish political speech.
- Cannot include an Internet service provider



Questions?



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