

COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

PENSION IMPACT NOTE

101ST GENERAL ASSEMBLY

BILL NO: **HB 5096**

February 18, 2020

SPONSOR (S): Reick

SYSTEM(S): Firefighters' Pension Investment Fund Article

FISCAL IMPACT: HB 5096 adds a member representing fire protection districts to both the transition and permanent boards of trustees for the Firefighters Pension Investment Fund. Both boards would consist of 10 members. The fiscal impact would consist of standard trustee-related expenses for one additional member.

SUBJECT MATTER: HB 5096 amends the Firefighters' Pension Investment Fund Article of the Pension Code to add a member representing fire protection districts to the transition and permanent boards of trustees for the Fund.

COMMENT: P.A. 101-0610, which became effective on January 1, 2020, established the Firefighters Pension Investment Fund. HB 5096 adds one member to both the 9-person transition board and the 9-person permanent board of trustees for the Fund. In the case of the transition board, the governor will appoint the 10th member from a fire protection district.

Current law holds that, for the permanent board of trustees of the Firefighters Pension Investment Fund, three elected members must come from the ranks of mayors, officers, executives, or department heads of participating municipalities or fire protection districts. These municipal/management members are to be elected by the mayors and presidents of municipalities or fire protection districts that have Article 4 pension funds.

HB 5096 ensures that two members of what would become a 10-person permanent board would be representatives of fire protection districts – one elected member and one gubernatorial appointee member. The bill states that if a trustee election would result in no duly elected candidate from a fire protection district, then the candidate receiving the highest number of votes who is from a fire protection district would thereby be elected. Presumably, under this provision, the highest vote getter from a fire protection district would displace the third-place municipal/management candidate, but this is not explicitly stated in the bill. HB 5096 also does not address what the procedure would be if no

candidate from a fire protection district stands for election to one of the municipal/management trustee positions.

CM:bs

LRB101 17517 RPS 66928 b