

House Bill 3205

Sponsored by Representative CONGER

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Directs Public Employees Retirement Board once every two years to calculate savings in employer contributions attributable to legislation enacted in preceding two years and set aside savings in Employer Contributions Savings Account and rate stabilization subaccount.

Allows board to apply amounts in rate stabilization subaccount to employer contributions in certain circumstances.

Declares emergency, effective on passage.

A BILL FOR AN ACT

1
2 Relating to public employee retirement; and declaring an emergency.

3 **Be It Enacted by the People of the State of Oregon:**

4 **SECTION 1. Section 2 of this 2013 Act is added to and made a part of ORS chapter 238.**

5 **SECTION 2. (1) Once every two years, the Public Employees Retirement Board shall de-**
6 **termine the savings in employer contributions that are attributable to legislation enacted in**
7 **the preceding two years and shall set aside that amount from employer contributions. Except**
8 **as provided in this section, amounts set aside under this subsection shall be treated in the**
9 **same manner as a lump sum payment by a participating public employer and an account**
10 **shall be established for the amounts under ORS 238.229. Amounts deposited to the account**
11 **may not exceed \$500 million. The account shall be known as the Employer Contributions**
12 **Savings Account.**

13 (2) The board shall create a rate stabilization subaccount within the Employer Contribu-
14 tions Savings Account and shall deposit in the subaccount 10 percent of the amounts credited
15 to the Employer Contributions Savings Account. Moneys in the subaccount may not be ap-
16 plied against employer contributions except as provided in subsection (3) of this section, and
17 may not be considered by the board in determining the liabilities of employers.

18 (3) Upon petition of one or more participating public employers, the board may apply
19 amounts in the rate stabilization subaccount created under subsection (2) of this section
20 against the employer contributions of the employers if:

21 (a) The employer contribution rates will increase by more than ___ percent in any fiscal
22 year without application of those amounts to the liabilities of the employers; or

23 (b) The board determines that amounts in the rate stabilization subaccount exceed any
24 anticipated need for rate stabilization as described in paragraph (a) of this subsection within
25 the following ___ years.

26 **SECTION 3. As soon as possible after the effective date of this 2013 Act, the Public Em-**
27 **ployees Retirement Board shall:**

28 (1) Determine the savings in employer contributions that are attributable to legislation
29 enacted by the Seventy-seventh Legislative Assembly in the 2013 legislative session;

NOTE: Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted. New sections are in **boldfaced** type.

1 (2) Make the determination of the amounts to be set aside in the Employer Contributions
2 Savings Account established under section 2 of this 2013 Act during the period beginning July
3 1, 2013, and ending June 30, 2015;

4 (3) Make the determination of the amounts to be set aside in the rate stabilization sub-
5 account established under section 2 of this 2013 Act during the period beginning July 1, 2013,
6 and ending June 30, 2015; and

7 (4) Recalculate the contribution rates of all employers pursuant to ORS 238.225 to reflect
8 the provisions of this 2013 Act.

9 **SECTION 4.** (1) Jurisdiction is conferred on the Supreme Court to determine in the
10 manner provided by this section whether this 2013 Act breaches any contract between
11 members of the Public Employees Retirement System and their employers or violates any
12 constitutional provision, including but not limited to impairment of contract rights of mem-
13 bers of the Public Employees Retirement System under Article I, section 21, of the Oregon
14 Constitution, or Article I, section 10, clause 1, of the United States Constitution.

15 (2) A person who is or who will be adversely affected by this 2013 Act may institute a
16 proceeding for review by filing with the Supreme Court a petition that meets the following
17 requirements:

18 (a) The petition must be filed within 60 days after the effective date of this 2013 Act.

19 (b) The petition must include the following:

20 (A) A statement of the basis of the challenge; and

21 (B) A statement and supporting affidavit showing how the petitioner is or will be ad-
22 versely affected.

23 (3) The petitioner shall serve a copy of the petition by registered or certified mail upon
24 the Public Employees Retirement Board, the Attorney General and the Governor.

25 (4) Proceedings for review under this section shall be given priority over all other mat-
26 ters before the Supreme Court.

27 (5) The Supreme Court shall allow public employers participating in the Public Employees
28 Retirement System to intervene in any proceeding under this section.

29 (6) In the event the Supreme Court determines that there are factual issues in the peti-
30 tion, the Supreme Court may appoint a special master to hear evidence and to prepare re-
31 commended findings of fact.

32 **SECTION 5.** This 2013 Act being necessary for the immediate preservation of the public
33 peace, health and safety, an emergency is declared to exist, and this 2013 Act takes effect
34 on its passage.