Article 15.
Legislative Actuarial Note Act.

§ 120-112. Title.
This Article may be cited as the "Legislative Actuarial Note Act". (1977, c. 503, s. 1; 1987 (Reg. Sess., 1988), c. 1091, s. 1; 1993, c. 553, s. 35.)

§ 120-113. Duties and functions of Fiscal Research Division.
(a) The Fiscal Research Division of the Legislative Services Commission of the General Assembly shall have authority to evaluate on a continuing basis all aspects of any State, municipal, or other retirement system, funded in whole or in part out of public funds, and all aspects of any program of hospital, medical, disability, or related benefits provided for teachers and State employees, funded in whole or in part by State funds, as to actuarial soundness. The Fiscal Research Division shall make periodic detailed reports to the General Assembly specifically setting forth the findings of such evaluations. In conducting its evaluations the division shall have complete access without charge to all books, accounts, and personnel of the retirement systems, and to all books, accounts, and personnel of agencies and contractors charged with providing programs of hospital, medical, disability, or related benefits for teachers and State employees.

(b) No provision of this Article shall be deemed or in any way construed to preclude the authority of any retirement system funded in whole or in part out of public funds to hire an actuary for any such retirement system. No provision of this Article shall be deemed or in any way construed to preclude the authority of any program of hospital, medical, disability, or related benefits provided for teachers and State employees, funded in whole or in part by State funds, to hire an actuary for any such program.

(c) The Fiscal Research Division shall, in addition to the powers and functions conferred by this Article, render such assistance as the Legislative Services Commission may require with respect to any other matter requiring actuarial evaluations. (1977, c. 503, s. 2; 1987 (Reg. Sess., 1988), c. 1091, s. 2.)

§ 120-114. Actuarial notes; Retirement System cost estimates.
(a) Every bill, joint resolution, and simple or concurrent resolution introduced in the General Assembly proposing any change in the law relative to any State, municipal, or other retirement system, funded in whole or in part out of public funds, or any program of hospital, medical, disability, or related benefits provided for teachers and State employees, funded in whole or in part by State funds, shall have attached to it at the time of its consideration by any committee of either house of the General Assembly a brief explanatory statement or note which shall include a reliable estimate of the financial and actuarial effect of the proposed change in any such retirement system or program of hospital, medical, disability, or related benefits. This actuarial note shall be attached to the original of each proposed bill or resolution which is reported favorably by any committee of either house of the General Assembly, but shall be separate therefrom, shall be clearly designated as an actuarial note and shall not constitute a part of the law or other provisions or expression of legislative intent proposed by the bill or resolution.
(b) The author of each bill or resolution shall present a copy of the bill or resolution, with his request for an actuarial note, to the Fiscal Research Division which shall have the duty to prepare said actuarial note as promptly as possible. Actuarial notes shall be prepared and transmitted to the author or authors no later than two weeks after the request for the actuarial note is made, unless an extension of time is agreed to by the author or authors as being necessary in preparation of the note. Any person who signs an actuarial note knowing it to contain false information shall be fined not more than five hundred dollars ($500.00) or imprisoned not more than six months, or both.

(c) The author of each bill or resolution shall also present a copy of the bill or resolution to any actuary employed by the retirement system, or to any actuary employed by a program of hospital, medical, disability, or related benefits provided for teachers and State employees, affected by the bill or resolution in question. Actuarial notes shall be prepared and transmitted to the author or authors of the measure no later than two weeks after the request for the actuarial note is received, unless an extension of time is agreed to by the author or authors as being necessary in preparation of the note. Any person who signs an actuarial note knowing it to contain false information shall be fined not more than five hundred dollars ($500.00) or imprisoned not more than six months, or both. The provisions of this subsection may be waived for any local government retirement or pension plans not administered by the State, and for any local government program of hospital, medical, disability, or related benefits for local government employees not administered by the State.

(d) The note shall be factual and shall, if possible, provide a reliable estimate of both the immediate effect and, if determinable or reasonably foreseeable, the long range fiscal and actuarial effect of the measure. If, after careful investigation, it is determined that no dollar estimate is possible, the note shall contain a statement to that effect, setting forth the reasons why no dollar estimate can be given. No comment or opinion shall be included in the actuarial note with regard to the merits of the measure for which the note is prepared. However, technical and mechanical defects may be noted.

(e) At any time any committee of either house reports any legislative instrument, to which an actuarial note or notes are attached at the time of committee consideration, with any amendment of such nature as would substantially affect the cost to or the revenues of any retirement system, or program of hospital, medical, disability, or related benefits for teachers and State employees, as stated in the actuarial note or notes attached to the measure at the time of such consideration, it shall be the responsibility of the chairman of the committee reporting such instrument to obtain from the Fiscal Research Division an actuarial note of the fiscal and actuarial effect of the change proposed by the amendment reported. Such actuarial note shall be attached to the report of the committee on the measure as a supplement thereto. A floor amendment to a bill or resolution to which an actuarial note was attached at the time of committee consideration of the bill or resolution shall not be in order, if the amendment affects the costs to or the revenues of a retirement system, or program of hospital, medical, disability, or related benefits provided for teachers and State employees, unless the amendment is accompanied by an actuarial note, prepared by the Fiscal Research Division, as to the actuarial effect of the amendment.
(f) In addition to the other requirements of this section, if a bill or resolution contemplates removing a public agency as a participating employer from the Teachers' and State Employees' Retirement System or the Local Governmental Employees' Retirement System, the Fiscal Research Division shall obtain an estimate of cost of the withdrawal liability the agency would owe under procedures established by the Boards of Trustees of the Retirement Systems.

(g) In addition to the other requirements of this section, if a bill or resolution adds or modifies service purchase provisions, the Fiscal Research Division shall obtain an estimate of the cost impact of those provisions using the 30-year United States Treasury constant maturity and cost-of-living adjustment and salary increase assumptions consistent with that rate as of December of the year of the most recent actuarial valuation in addition to the cost of the provision using the valuation assumptions. (1977, c. 503, s. 3; 1985, c. 189; 1987 (Reg. Sess., 1988), c. 1091, s. 3; 1989, c. 261; 2015-168, ss. 2(a), (b); 2016-82, s. 3.)

§§ 120-115 through 120-120. Reserved for future codification purposes.