

1 HJR54
2 135106-1
3 By Representatives Wren, Hubbard (M) and Hammon
4 RFD: Rules
5 First Read: 08-FEB-12

8 EXPRESSING OPPOSITION TO THE PUBLIC EMPLOYEE PENSION
9 TRANSPARENCY ACT.

10
11 WHEREAS, the states should regulate their unique
12 markets - including insurance, health care, and financial
13 services industries - and jurisdiction-specific policies and
14 programs; and

15 WHEREAS, we believe in targeted state-based
16 modernization initiatives that aim to protect consumers and
17 streamline regulation; and

18 WHEREAS, we further believe that states have a
19 proven history of providing appropriate solutions to state or
20 local policy concerns and that such history precludes the need
21 for new federal preemption; and

22 WHEREAS, retirement security issues are important to
23 all Americans and to public officials at all levels of
24 government, and state and local governments have designed
25 unique retirement systems that represent the promise of future
26 benefits for their specific populations of public employees;
27 and

1 WHEREAS, public pension plans are continuously
2 evaluated at the state and local levels to protect the
3 retirement security of public employees and to ensure that
4 taxpayer dollars are allocated appropriately; and

5 WHEREAS, according to the National Conference of
6 State Legislatures, 39 states enacted significant revisions to
7 their state retirement plans in 2010 or 2011, with reforms
8 addressing employee contributions, eligibility, calculation of
9 benefits, and cost-of-living adjustments, among other things;
10 and

11 WHEREAS, in addition to the efforts of state and
12 local government policymakers, the independent Government
13 Accounting Standards Board, in July 2011, exposed new draft
14 rules for state and local government pension plan accounting
15 and financial reporting; and

16 WHEREAS, despite state and local governmental
17 efforts to strengthen their individual public pension plans,
18 Members of Congress have considered legislation that would
19 insert the federal government into the administration of such
20 plans; and

21 WHEREAS, H.R. 567 and S. 347, the Public Employee
22 Pension Transparency Act (PEPTA), was introduced in the U.S.
23 House of Representatives and in the U.S. Senate on February 9
24 and 15, 2011, respectively; and

25 WHEREAS, PEPTA would mandate that state and local
26 government pension plan sponsors make annual reports to the
27 U.S. Secretary of the Treasury related to funding status,

1 schedule of contributions, alternative projections and
2 assumptions, actuarial assumptions, plan participants,
3 investment returns, and outstanding pension obligation bonds,
4 among other things, and would dictate the form, timing, and
5 calculations used to submit such reports; and

6 WHEREAS, PEPTA would put the funding for state and
7 local government projects at risk by making continued tax
8 benefits for government bonds conditional upon compliance with
9 these new federally directed reporting requirements; and

10 WHEREAS, at a time when many in Washington, D.C.,
11 are looking to reduce federal spending, PEPTA would needlessly
12 require the creation of a new U.S. Treasury Department
13 bureaucracy to handle state and local pension plan
14 information, including development and maintenance of a
15 searchable website to house such information; and

16 WHEREAS, PEPTA would also declare that the United
17 States would not bail out any state or local government
18 pension plan despite the fact that state and local governments
19 have not sought a federal bailout; and

20 WHEREAS, numerous organizations representing state
21 and local governments and officials, including the National
22 Conference of State Legislatures, the National Association of
23 Counties, the U.S. Conference of Mayors, the National League
24 of Cities, the National Association of State Auditors,
25 Comptrollers & Treasurers, the Government Finance Officers
26 Association, and the National Association of State Retirement
27 Administrators have cautioned that PEPTA would set a precedent

1 for federal intervention into areas that are the financial
2 responsibility of, and have thus been historically regulated
3 by, the state and local governmental entities; now therefore,

4 BE IT RESOLVED BY THE LEGISLATURE OF ALABAMA, BOTH
5 HOUSES THEREOF CONCURRING, That we hereby join state and local
6 government officials, and other public pension plan
7 stakeholders, in opposing H.R. 567 and S. 347, the Public
8 Employee Pension Transparency Act (PEPTA).

9 BE IT FURTHER RESOLVED, That we urge Congress to
10 defer to the expertise and experience of state and local
11 government officials in managing their unique pension systems
12 and to, therefore, oppose H.R. 567 and S. 347.

13 BE IT FURTHER RESOLVED, That a copy of this
14 resolution be provided to all members of the Alabama
15 Congressional Delegation.