Sec. 2266.001. APPLICABILITY. This chapter applies to this state and to each political subdivision of this state.
Added by Acts 2007, 80th Leg., R.S., Ch. 1224 (H.B. 2365), Sec. 2, eff. June 15, 2007.
Renumbered from Government Code, Section 2264.001 by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 27.001(49), eff. September 1, 2009.

Sec. 2266.002. APPLICABILITY TO COMPONENT UNITS. To the extent an entity is reported on the financial statement of the state or a political subdivision as a component unit, the statutory accounting principles and reporting standards in this chapter apply to that entity.
Added by Acts 2007, 80th Leg., R.S., Ch. 1224 (H.B. 2365), Sec. 2, eff. June 15, 2007.
Renumbered from Government Code, Section 2264.002 by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 27.001(49), eff. September 1, 2009.

SUBCHAPTER B. FINANCIAL ACCOUNTING AND REPORTING STANDARDS

Sec. 2266.051. REQUIREMENTS FOR SYSTEM OF ACCOUNTING AND REPORTING. The system of accounting for and reporting the financial activities of this state and its political subdivisions:
(1) must be consistent with state financial laws;
(2) may not misrepresent the nature, scope, or duration of the financial activities of the state or political subdivision; and
(3) may follow the statutory standards in this chapter when other accounting bases conflict with state law.
Sec. 2266.052. STATUTORY MODIFIED ACCRUAL BASIS. (a) In this state, a statutory modified accrual basis qualifies as an other comprehensive basis of accounting that recognizes revenue when it is measurable and available to finance current expenditures and recognizes expenditures when they are normally expected to be liquidated with current financial resources regardless of when they mature.

(b) This state and its political subdivisions may account for and report selected types of financial activities on a statutory modified accrual basis for government-wide and fund-level internal and external financial statement reporting.

Sec. 2266.053. COMPLIANCE WITH ACCOUNTING PRINCIPLES. Compliance with the statutory accounting principles of this chapter by this state or a political subdivision satisfies any other law that requires accounting and reporting according to generally accepted accounting principles, including Section 403.013 or 2101.012.
Sec. 2266.101. DEFINITIONS. In this subchapter:

(1) "Other postemployment benefits" means employee benefit programs for which coverage or eligibility extends to retired employees. The term does not include pension benefits.

(2) "Pay-as-you-go" means benefit plan financing generally made at or about the same time and in or about the same amount as benefit payments and expenditures become due.

(3) "State system" means:
   (A) the Employees Retirement System of Texas;
   (B) the Teacher Retirement System of Texas;
   (C) The Texas A&M University System; or
   (D) The University of Texas System.

(4) "Substantive plan" means a plan providing other postemployment benefits approved by the governing body of the plan provider according to the laws and constitution of this state.

Added by Acts 2007, 80th Leg., R.S., Ch. 1224 (H.B. 2365), Sec. 2, eff. June 15, 2007.
Renumbered from Government Code, Section 2264.101 by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 27.001(49), eff. September 1, 2009.

Sec. 2266.102. ACCOUNTING FOR OTHER POSTEMPLOYMENT BENEFITS. To the extent that generally accepted accounting principles require accounting or reporting of other postemployment benefits at the government-wide or fund level on any basis other than pay-as-you-go, this state and its political subdivisions may account for or report those other postemployment benefits in accordance with the statutory accounting principles in this chapter.

Added by Acts 2007, 80th Leg., R.S., Ch. 1224 (H.B. 2365), Sec. 2, eff. June 15, 2007.
Renumbered from Government Code, Section 2264.102 by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 27.001(49), eff. September 1, 2009.

Sec. 2266.103. COMMUNICATION OF STATE SYSTEM'S OBLIGATIONS TO PROVIDE OTHER POSTEMPLOYMENT BENEFITS. (a) In this section,
"member" means a person to whom a state system provides, or has promised to provide, other postemployment benefits, including:

(1) a retiree, annuitant, or employee; or
(2) a spouse, surviving spouse, or other dependent.

(b) A state system shall fully disclose to its members that the system is not obligated to provide benefits beyond existing statutory, constitutional, or other legal requirements. This includes requirements that limit the duration for which benefits are legally obligated such as Section 6, Article VIII, Texas Constitution, which limits appropriations to two years or less, and other requirements that limit expenditures to one year or less or some other term.

(c) A state system shall inform its members about the extent of the system's commitments regarding other postemployment benefits, including whether the other postemployment benefits are limited by funding obligations or whether the funding obligations extend throughout the life of the member.

(d) A state system shall disclose on the entity's website the information required by this section.

(e) Other governmental entities of this state or its political subdivisions may comply with this section.

Added by Acts 2007, 80th Leg., R.S., Ch. 1224 (H.B. 2365), Sec. 2, eff. June 15, 2007.
Renumbered from Government Code, Section 2264.103 by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 27.001(49), eff. September 1, 2009.

Sec. 2266.104. DISCLOSURE OF INFORMATION ON FINANCIAL STATEMENTS; GENERALLY. This state or a political subdivision of this state shall disclose in its notes to the financial statement in a manner consistent with this subchapter:

(1) other postemployment benefits that it provides in its substantive plan, including:
   (A) the covered employee groups;
   (B) eligibility requirements; and
   (C) the amount, described in an appropriate manner, of obligations that it and the member contribute;
(2) the statutory, contractual, or other authority under which other postemployment benefits are provided under Subdivision (1);

(3) the accounting, financing, and funding policies that it follows;

(4) the amount of other postemployment benefits expenditures that it recognizes during the period, net of member contributions;

(5) the number of members currently eligible to receive other postemployment benefits;

(6) any significant matters that affect the comparability of the disclosures required by this section with those for the previous period; and

(7) any additional information that it believes will assist in explaining the nature and cost of its commitment to provide other postemployment benefits.

Added by Acts 2007, 80th Leg., R.S., Ch. 1224 (H.B. 2365), Sec. 2, eff. June 15, 2007.

Renumbered from Government Code, Section 2264.104 by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 27.001(49), eff. September 1, 2009.

Sec. 2266.105. ADDITIONAL OPTIONAL FINANCIAL DISCLOSURES.

(a) This state or a political subdivision of this state may disclose, for informational and planning purposes only and in a manner consistent with this subchapter, the expense and liability that would exist if other postemployment benefits had been guaranteed to members.

(b) This state or a political subdivision may make this supplemental disclosure in its other supplemental statistical information to the financial statements by disclosing:

(1) its actuarial methods and assumptions or other estimation methodology;

(2) its net other postemployment benefits obligation;

(3) its funding status and funding progress;

(4) that the supplemental disclosure is for informational purposes only and is not an obligation or other
promise to provide benefits beyond that approved by its governing body; and

(5) any additional information that it believes will help explain the nature and cost of a potential commitment to provide other postemployment benefits.

Added by Acts 2007, 80th Leg., R.S., Ch. 1224 (H.B. 2365), Sec. 2, eff. June 15, 2007.
Renumbered from Government Code, Section 2264.105 by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 27.001(49), eff. September 1, 2009.

Sec. 2266.106. COMPTROLLER WEBSITE. (a) The comptroller shall maintain a website to provide guidance to the state and its political subdivisions in implementing the requirements and goals of this subchapter.

(b) The site must include information that makes the site a resource tool for the state and its political subdivisions to consistently manage other postemployment benefits to conform to statutory, constitutional, and other legal requirements.

Added by Acts 2007, 80th Leg., R.S., Ch. 1224 (H.B. 2365), Sec. 2, eff. June 15, 2007.
Renumbered from Government Code, Section 2264.106 by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 27.001(49), eff. September 1, 2009.

Sec. 2266.107. COMPTROLLER ADVICE AND REPORTING REQUIREMENTS. (a) The comptroller shall issue reporting requirements for state retirement systems, including state systems, to provide guidance on how to comply with accounting principles in a manner consistent with this subchapter.

(b) The comptroller shall provide advice to a political subdivision of this state that requests advice on how to apply accounting principles in a manner consistent with this subchapter.

Added by Acts 2007, 80th Leg., R.S., Ch. 1224 (H.B. 2365), Sec. 2, eff. June 15, 2007.
Renumbered from Government Code, Section 2264.107 by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 27.001(49), eff.
September 1, 2009.