

Stricken language would be deleted from and underlined language would be added to the law as it existed prior to this session of the General Assembly.

1 State of Arkansas  
2 83rd General Assembly  
3 Regular Session, 2001  
4

*As Engrossed: S4/2/01*  
**A Bill**

**Act 1701 of 2001**  
**HOUSE BILL 1319**

5 By: Representative R. Smith  
6  
7

**For An Act To Be Entitled**

9 AN ACT TO AMEND VARIOUS SECTIONS OF ARKANSAS CODE  
10 TITLE 24, CHAPTER 11, CONCERNING POLICE AND FIRE  
11 PENSION AND RELIEF FUNDS, TO MAKE TECHNICAL AND  
12 ADMINISTRATIVE CORRECTIONS THAT AFFECT THE  
13 DISTRIBUTION OF INSURANCE PREMIUM TAXES USED TO  
14 FUND LOCAL POLICE AND FIRE PENSION AND RELIEF  
15 FUNDS; AND FOR OTHER PURPOSES.

**Subtitle**

17 TO MAKE TECHNICAL AND ADMINISTRATIVE  
18 CORRECTIONS THAT AFFECT THE DISTRIBUTION  
19 OF INSURANCE PREMIUM TAXES USED FOR  
20 LOCAL POLICE AND FIRE PENSION FUNDS.  
21  
22  
23

24 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
25

26 SECTION 1. Arkansas Code 24-11-202 is amended to read as follows:

27 24-11-202. Noncompliance with subchapter.

28 (a) If it is determined that a plan is not complying with the  
29 provisions of this subchapter, the Executive Director of the Arkansas Fire and  
30 Police Pension Review Board shall certify the noncompliance to the ~~Insurance~~  
31 ~~Commissioner~~ Director of the Department of Finance and Administration, who  
32 shall withhold all moneys otherwise due the plan from the state until  
33 compliance is achieved.

34 (b) All actions taken by the executive director shall be subject to  
35 review and acceptance by the Arkansas Fire and Police Pension Review Board.  
36

1 SECTION 2. Arkansas Code 24-11-302(b), concerning the qualifications  
2 for cities and towns to participate in the insurance premium tax distributions  
3 for pension funds, is amended to read as follows:

4 (b) The allocation of funds to each qualified city or town pursuant to  
5 § 24-11-301 shall be subject to the following conditions:

6 (1) Each calendar year the Arkansas Fire and Police Pension  
7 Review Board shall review its previous calendar year distribution of funds to  
8 each qualified city or town prior to disbursement to each of these qualified  
9 areas. This review shall comply with subdivisions (d)(4) and (5) of this  
10 section; ~~and~~

11 (2) The certification of any new city or town to participate in  
12 the Firemen's and Police Officers' Pension and Relief Fund shall be considered  
13 in the board's assessment each calendar year of the allocation of the  
14 disbursement of the funds pursuant to subdivisions (d)(4) and (5) of this  
15 section; ~~and~~

16 (3) Any change in the legal description of any city or town will  
17 be considered in the board's assessment each calendar year. Any changes shall  
18 be reported to the board by December 15 of each calendar year. The associated  
19 population change caused by a change in legal description shall also be  
20 considered.

21  
22 SECTION 3. Arkansas Code 24-11-302(c)(2)(A), concerning the  
23 qualifications for cities and towns to participate in the insurance premium  
24 tax distributions for pension funds, is amended to read as follows:

25 (2)(A) The mayor or other qualified representative of each city  
26 or town shall certify to the board the accuracy of the metes and bounds legal  
27 description of the area ~~and the population information.~~

28  
29 SECTION 4. Arkansas Code 24-11-302(j), concerning the qualifications  
30 for cities and towns to participate in the insurance premium tax distributions  
31 for pension funds, is amended to read as follows:

32 (j)(1) All taxes that are levied on insurers ~~but are not allocated to~~  
33 ~~cities or towns qualified to participate in the distribution of the taxes that~~  
34 are allocated to general revenues under this section shall first be allocated  
35 to the Arkansas Fire and Police Pension Guarantee Fund and next to the  
36 Policemen's Pension Supplement Program Fund as provided for in subdivision

1 ~~(j)(3)~~ (j)(4) of this section and then to general revenues.

2 (2) Funds shall be distributed by the Chief Fiscal Officer of the  
3 State upon the recommendation of the Arkansas Fire and Police Pension Review  
4 Board in an amount necessary to fund the priority categories defined by § 24-  
5 11-209(e)(3)(A) - (D).

6 ~~(2)(3)~~ Funds ~~shall~~ may be distributed by the Chief Fiscal Officer  
7 of the State upon the recommendation of the Arkansas Fire and Police Pension  
8 Review Board for plans in the priority category defined by § 24-11-  
9 209(e)(3)(E).

10 ~~(3)(4)~~ After transfers are made to cover funds distributed under  
11 subdivision (j)(2) of this section and the portion of those premium taxes set  
12 aside for transfer to the State Police Retirement Fund under § 24-6-209(b),  
13 the Director of the Department of Finance and Administration is directed to  
14 make ~~monthly~~ annual transfers to the Policemen's Pension Supplement Program  
15 Fund on or before July 25, 1999, and each ~~month~~ year thereafter of a portion  
16 of those ~~unallocated~~ insurance premium taxes enumerated in § 24-11-301(a) as  
17 certified by the Arkansas Fire and Police Pension Review Board on July 1 each  
18 year as the amount needed to pay the expenses of and to make payments to the  
19 eligible retired police officers and survivors under the Policemen's Pension  
20 Supplement Program for the coming year of the program.

21  
22 SECTION 5. Arkansas Code 24-11-809(c)(3)(A), concerning the  
23 apportionment of insurance premium taxes, is amended to read as follows:

24 (3)(A) All taxes that are levied on insurers, ~~but are not~~  
25 ~~allocated to cities, towns, and fire protection districts qualified to~~  
26 ~~participate in the distribution of the taxes,~~ that are allocated to general  
27 revenues under this section may be allocated to the Arkansas Fire and Police  
28 Pension Guarantee Fund and then to general revenues.

29  
30 SECTION 6. Arkansas Code 24-11-810(a)(2)(D), concerning the  
31 apportionment of the insurance premium taxes for pension funds, is amended to  
32 read as follows:

33 (D) The allocation of funds to each qualified city, town,  
34 or fire protection district pursuant to subdivisions (a)(3)-(5) of this  
35 section shall be subject to the following conditions:

36 (i) Each calendar year the Arkansas Fire and Police

1 Pension Review Board shall review its previous calendar year distribution of  
 2 funds to each qualified city, town, or fire protection district prior to  
 3 disbursement to each of these qualified areas. This review shall comply with  
 4 subdivision (b)(5) of this section; ~~and~~

5 (ii) The certification of any new city, town, or fire  
 6 protection district to participate in the Firemen's and Police Officers'  
 7 Relief and Pension Fund shall be considered in the Arkansas Fire and Police  
 8 Pension Review Board's assessment each calendar year of the allocation of the  
 9 disbursement of the funds pursuant to subdivision (b)(5) of this section; ~~and~~

10 (iii) Any change in the legal description of any  
 11 city, town, or fire protection district will be considered in the board's  
 12 assessment each year. Any changes shall be reported to the board by December  
 13 15 of each calendar year. The associated population change caused by the  
 14 change in legal description shall also be considered.

15  
 16 SECTION 7. Arkansas Code 24-11-810(a)(4)(A) concerning the  
 17 apportionment of the insurance premium taxes for pension funds, is amended to  
 18 read as follows:

19 (4)(A) The mayor or other qualified representative of each city  
 20 or town, or county fire coordinator of each city, town, or for a rural fire  
 21 protection district shall certify to the Arkansas Fire and Police Pension  
 22 Review Board the accuracy of the metes and bounds legal description of the  
 23 area and the population information.

24  
 25 SECTION 8. Arkansas Code 24-11-810(g), concerning the apportionment of  
 26 the insurance premium taxes for pension funds, is amended to read as follows:

27 (g) The Arkansas Fire and Police Pension Review Board shall establish a  
 28 certain percentage of the insurance tax revenues to use to meet its proper  
 29 actuarial expenses and administrative costs incurred in obtaining and  
 30 evaluating the square mileage and population information required in  
 31 subsections (a) and (b) of this section, but in no event shall the board be  
 32 entitled to more than one percent (1%) of the ~~insurance tax revenues~~ Firemen's  
 33 and Police Officers' Pension and Relief Fund as defined in § 24-11-809(a)(2).

34 This assessment shall be collected in addition to the assessment provided in §  
 35 24-11-203(k)(5). This revenue shall also be used to provide the  
 36 administrative costs incurred in obtaining and evaluating the square mileage

1 and population information for unqualified cities, towns, and fire protection  
2 districts.

3  
4 SECTION 9. [THE ARKANSAS CODE REVISION COMMISSION IS NOT REQUIRED TO  
5 CODIFY THIS SECTION.] No benefit enhancement provided for by this act shall  
6 be implemented if it would cause the publicly supported retirement system's  
7 unfunded actuarial accrued liabilities to exceed a thirty (30) year  
8 amortization. No benefit enhancement provided for by this act shall be  
9 implemented by any publicly supported system which has unfunded actuarial  
10 accrued liabilities being amortized over a period exceeding thirty (30) years  
11 until the unfunded actuarial accrued liability is reduced to a level less than  
12 the standards prescribed by Arkansas Code, Title 24.

13  
14 SECTION 10. EMERGENCY CLAUSE. It is found and determined by the  
15 General Assembly of the State of Arkansas that the provisions of this act must  
16 be implemented before the funds described herein are next disbursed in order  
17 to insure the fiscal well-being of the beneficiaries of the Police and Fire  
18 Pension and Relief Funds. Therefore, an emergency is declared to exist and  
19 this act being immediately necessary for the preservation of the public peace,  
20 health and safety shall become effective on the date of its approval by the  
21 Governor. If the bill is neither approved nor vetoed by the Governor, it  
22 shall become effective on the expiration of the period of time during which  
23 the Governor may veto the bill. If the bill is vetoed by the Governor and the  
24 veto is overridden, it shall become effective on the date the last house  
25 overrides the veto.

26 /s/ R. Smith

27  
28  
29 APPROVED: 4/17/2001  
30  
31  
32  
33  
34  
35  
36