

Stricken language would be deleted from and underlined language would be added to law as it existed prior to the 82nd General Assembly.

1 State of Arkansas
2 82nd General Assembly
3 Regular Session, 1999
4

As Engrossed: H2/12/99

A Bill

Act 331 of 1999
SENATE BILL 186

5 By: Senators Argue, B. Walker, Riggs
6 *By: Representatives Ferrell, Sheppard, Booker, J. Lewellen, Harris, T. Thomas, Wilkins, White,*
7 *Napper, W. Walker, Jones, Rodgers, Magnus, Eason, Lendall, L. Thomas*
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For An Act To Be Entitled

11 "AN ACT TO AMEND ARKANSAS CODE 24-8-401(b)(2) TO
12 PRESCRIBE THE AUTHORITY OF CITIES AND COUNTIES WITH
13 CITY OR COUNTY MUNICIPAL JUDGES' AND CLERKS' PENSION
14 PLANS WITH ASSETS IN EXCESS OF \$100,000 IN COUNTIES
15 HAVING A POPULATION OF AT LEAST ONE HUNDRED FIFTY
16 THOUSAND (150,000) PERSONS TO EMPLOY AN INVESTMENT
17 ADVISOR TO INVEST PLAN ASSETS PURSUANT TO CITY OR
18 COUNTY INVESTMENT POLICY; TO REQUIRE THE CITY OR
19 COUNTY TO FOLLOW THE SAME STANDARD OF CARE FOLLOWED BY
20 STATE RETIREMENT SYSTEMS IN THEIR INVESTMENTS IN
21 ARKANSAS CODE 24-3-417 THROUGH 24-3-426; AND FOR OTHER
22 PURPOSES. "
23

Subtitle

25 "TO PRESCRIBE THE AUTHORITY OF CITIES AND
26 COUNTIES WITH CITY OR COUNTY MUNICIPAL
27 JUDGES' AND CLERKS' PENSION PLANS WITH
28 ASSETS IN EXCESS OF \$100,000 IN COUNTIES
29 HAVING A POPULATION OF AT LEAST 150,000
30 PERSONS TO EMPLOY AN INVESTMENT ADVISOR. "
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33 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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35 SECTION 1. Arkansas Code 24-8-401(b)(2) is amended to read as follows:
36 "(2)(A) The board shall have the authority to invest such funds as are

1 not necessary for the immediate use for payment of retirement benefits in
2 interest-bearing securities of the State of Arkansas or certificates of the
3 United States or any or all such securities.

4 (B) A city or county having municipal judges' and clerks' pension
5 plans with assets in excess of one hundred thousand dollars (\$100,000) shall,
6 subject to subdivision (C), have full power to invest and reinvest the moneys
7 of the plan and to hold, purchase, sell, assign, transfer, or dispose of any
8 of the investments so made as well as the proceeds of the investments and
9 moneys. Such authority shall be implemented by the mayor and city treasurer,
10 or the county judge and county treasurer, respectively.

11 (C) The investments and reinvestments shall only be made in
12 accordance with the prudent investor rule set forth in § 24-3-426.

13 (D) A city or county having municipal judges' and clerks' pension
14 plans with assets in excess of one hundred thousand dollars (\$100,000) may
15 employ an investment advisor, as its agent to make investment recommendations
16 and to invest the assets pursuant to a written investment policy, subject to
17 the terms, conditions, limitations, and restrictions imposed by law upon
18 investments of state retirement systems, as set forth in § 24-3-417 - § 24-3-
19 426.

20 (E) The investment policy shall not limit the investments to
21 interest-bearing bonds.

22 (F) A city, mayor, or city treasurer, or county, county judge, or
23 county treasurer, respectively, who complies with the requirements of § 24-3-
24 425(a) is not liable to the beneficiaries or to the trust for the decisions or
25 actions of the agent to whom the function was delegated.

26 (G) By accepting the delegation of a trust function from a city
27 or county, an agent submits to the jurisdiction of the courts of this state."
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29 SECTION 2. All provisions of this act of a general and permanent nature
30 are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code
31 Revision Commission shall incorporate the same in the Code.
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33 SECTION 3. If any provision of this act or the application thereof to
34 any person or circumstance is held invalid, such invalidity shall not affect
35 other provisions or applications of the act which can be given effect without
36 the invalid provision or application, and to this end the provisions of this

1 act are declared to be severable.

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3 SECTION 4. All laws and parts of laws in conflict with this act are
4 hereby repealed.

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/s/ Argue, et al

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APPROVED: BECAME LAW ON 2/28/1999, WITHOUT THE GOVERNOR'S SIGNATURE.

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