

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

A Bill

Act 49 of 1999
HOUSE BILL 1326

5 By: Representative Fari s
6

For An Act To Be Entitled

8 "AN ACT TO AMEND ARKANSAS CODE 24-8-302 (c) TO
9 PRESCRIBE THE AUTHORITY OF FIRST OR SECOND CLASS
10 CITIES WITH MUNICIPAL JUDGES' AND CLERKS' PENSION
11 PLANS WITH ASSETS IN EXCESS OF \$100,000 TO EMPLOY AN
12 INVESTMENT ADVISOR TO INVEST PLAN ASSETS PURSUANT TO
13 CITY POLICY; TO REQUIRE THE CITY TO FOLLOW THE SAME
14 STANDARD OF CARE FOLLOWED BY STATE RETIREMENT SYSTEMS
15 IN THEIR INVESTMENTS IN ARKANSAS CODE 24-3-417 THROUGH
16 \$24-3-426; AND FOR OTHER PURPOSES."

Subtitle

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19 "TO PRESCRIBE THE AUTHORITY OF FIRST OR
20 SECOND CLASS CITIES WITH MUNICIPAL
21 JUDGES' AND CLERKS' PENSION PLANS WITH
22 ASSETS IN EXCESS OF \$100,000 TO EMPLOY AN
23 INVESTMENT ADVISOR TO INVEST PLAN ASSETS
24 PURSUANT TO CITY POLICY."
25

26 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
27

28 SECTION 1. Arkansas Code 24-8-302(c) is amended to read as follows:

29 "(c) (1) The board shall have the authority to invest such funds as are
30 not necessary for immediate use for payment of retirement benefits in
31 interest-bearing securities of the State of Arkansas or certificates of the
32 United States or any or all such securities.

33 (2) A city having a municipal judges' and clerks' pension plan with
34 assets in excess of one hundred thousand dollars (\$100,000) shall, subject to
35 subdivision (3), have full power to invest and reinvest the moneys of the plan
36 and to hold, purchase, sell, assign, transfer, or dispose of any of the

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1 investments so made as well as the proceeds of the investments and moneys.
2 Such authority shall be implemented by the mayor and city treasurer.

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

5 (4) A city having a municipal judges' and clerks' pension plan with
6 assets in excess of one hundred thousand dollars (\$100,000) may employ an
7 investment advisor as its agent to make investment recommendations and to
8 invest the assets pursuant to a written board investment policy, subject to
9 the terms, conditions, limitations, and restrictions imposed by law upon
10 investments of state retirement systems, as set forth in Arkansas Code § 24-3-
11 417 - § 24-3-426.

12 (5) The investment policy shall not limit the investments to interest-
13 bearing bonds.

14 (6) A city, mayor, or city treasurer, who complies with the requirements
15 of Arkansas Code § 24-3-425 (a), is not liable to the beneficiaries or to the
16 trust for the decisions or actions of the agent to whom the function was
17 delegated.

18 (7) By accepting the delegation of a trust function from the trustees of
19 a trust that is subject to the law of this state, an agent submits to the
20 jurisdiction of the courts of this state."

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22 SECTION 2. All provisions of this act of general and permanent nature
23 are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code
24 Revision Commission shall incorporate the same in the Code.

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26 SECTION 3. If any provisions of this act or the application thereof to
27 any person or circumstance is held invalid, the invalidity shall not affect
28 other provisions or applications of the act which can be given effect without
29 the invalid provisions or application, and to this end the provisions of this
30 act are declared to be severable.

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32 SECTION 4. All laws and parts of laws in conflict with this Act are
33 hereby repealed.

34 APPROVED: 2/11/1999