

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 *As Engrossed: H3/5/99 H3/19/99 H3/26/99 H4/2/99*

2 82nd General Assembly

# A Bill

Act 1452 of 1999

3 Regular Session, 1999

HOUSE BILL 1443

4

5 By: Representative R. Smith

6 By: Senator Canada

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## For An Act To Be Entitled

10 "AN ACT TO AMEND VARIOUS SECTIONS OF ARKANSAS CODE  
11 TITLE 24, CHAPTER 11, REGARDING LOCAL POLICE AND FIRE  
12 PENSION FUNDS, TO CREATE THE POLICEMEN'S PENSION  
13 SUPPLEMENT PROGRAM TO PROVIDE ADDITIONAL FINANCIAL  
14 ASSISTANCE TO RETIRED POLICE OFFICERS AND THEIR  
15 SURVIVORS; TO DECLARE AN EMERGENCY; AND FOR OTHER  
16 PURPOSES. "

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## Subtitle

19 "TO CREATE THE POLICEMEN'S PENSION  
20 SUPPLEMENT PROGRAM TO PROVIDE FINANCIAL  
21 ASSISTANCE TO RETIRED POLICE OFFICERS  
22 AND SURVIVORS. "

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

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27 SECTION 1. *Arkansas Code § 24-11-301(a), regarding the designation of*  
28 *insurance premium taxes for policemen's pension and relief funds, is amended*  
29 *to read as follows:*

30 "(a) *Sixty-six and two-thirds percent (66 2/3%) of the total tax*  
31 *revenues derived from premium taxes paid to the State of Arkansas by alien and*  
32 *foreign insurance companies upon premiums collected by the insurance companies*  
33 *upon insurance contracts written on motor vehicles, the licensed addresses of*  
34 *which are qualified cities or towns wherein the motor vehicles are insured*  
35 *against the perils of physical damage or the owner or operators of the motor*  
36 *vehicles are insured against legal liability arising out of the use,*

1 ownership, or operation of the motor vehicles, is appropriated and set aside  
2 for the use and benefit of all duly qualified police officers' pension and  
3 relief funds and for the administrative and actuarial expenses of the Arkansas  
4 Fire and Police Pension Review Board and for the Arkansas Fire and Police  
5 Pension Guarantee Fund and for the Arkansas Policemen's Pension Supplement  
6 Program. "

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8 SECTION 2. Arkansas Code § 24-11-302(h), regarding the designation of  
9 the unallocated portion of the insurance premium taxes for policemen's pension  
10 and relief funds, is amended to read as follows:

11 "(h)(1) All taxes that are levied on insurers but are not allocated to  
12 cities or towns qualified to participate in the distribution of the taxes ~~may~~  
13 shall first be allocated to the Arkansas Fire and Police Pension Guarantee  
14 Fund and next to the Arkansas Policemen's Pension Supplement Program Fund as  
15 provided for in subdivision (h)(4) of this section.

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

20 (3) Funds may be distributed by the Chief Fiscal Officer of the  
21 State upon the recommendation of the Arkansas Police and Fire Pension Review  
22 Board for plans in the priority category defined by subdivision (e)(3)(E) of §  
23 24-11-209.

24 (4) After transfers are made to cover funds distributed under  
25 subdivisions (h)(2) and (h)(3) of this section and the portion of those  
26 premium taxes set aside for transfer to the State Police Retirement Fund under  
27 §24-6-209(b), the Director of the Department of Finance and Administration is  
28 directed to make monthly transfers to the Policemen's Pension Supplement  
29 Program Fund on or before July 25, 1999, and each month thereafter of a  
30 portion of those unallocated insurance premium taxes enumerated in § 24-11-  
31 301(a) as certified by the Arkansas Fire and Police Pension Review Board on  
32 July 1 each year as the amount needed to pay the expenses of and to make  
33 payments to the eligible retired police officers and survivors under the  
34 Policemen's Pension Supplement Program for the coming year of the program."

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36 SECTION 3. Title 24, Chapter 11, Subchapter 2 of the Arkansas Code is

1 amended by adding the following new section to be appropriately numbered by  
2 the Arkansas Code Revision Commission:

3 "Policemen's Pension Supplement Program.

4 (a) There is hereby created the Arkansas Policemen's Pension Supplement  
5 Program to be administered by the Arkansas Fire and Police Pension Review  
6 Board. Local and municipal police officers provide valuable services to the  
7 citizens of this state by risking their lives and health to protect the lives  
8 and property of our citizens. Upon their retirement from active service,  
9 these police officers are provided retirement benefits through local police  
10 pension funds. These retired police officers, and their survivors if deceased,  
11 are expected to pay for all kinds of expenses after their retirement some  
12 which are unexpected and can be extremely expensive. A program by  
13 which the State can provide a modest annual supplement to retirement benefits  
14 to defray unexpected expenses for retired police officers and their survivors  
15 will benefit all local police officers, local governments, and all citizens of  
16 the state.

17 (b) The Policemen's Pension Supplement Program Fund shall be created and  
18 established for the purpose of providing a state fund to provide financial  
19 assistance to certain retired police officers and their survivors who are  
20 receiving pension from policemen's pension and relief funds. It shall be  
21 funded by that portion of those unallocated premium taxes levied on insurers  
22 for the support of police retirement programs which is transferred to the  
23 control of the Arkansas Fire and Police Pension Review Board pursuant to  
24 Arkansas Code § 24-11-302(h)(4).

25 (c) The Arkansas Fire and Police Pension Review Board shall administer  
26 the program and make the payments called for under the program, including  
27 formulating necessary rules, procedures, and forms. The Board shall retain  
28 one percent (1%) of the funds transferred for administrative expenses of the  
29 program.

30 (d) Retired police officers and survivors shall be eligible for the  
31 pension supplement under this program as follows:

32 (1) A retired police officer or survivor receiving retirement  
33 benefits from a local policemen's pension and relief fund of less than four  
34 hundred dollars (\$400) per month shall receive a supplement under the program  
35 in an amount equivalent to raise their total of benefits plus the supplement  
36 to four hundred dollars (\$400) per month; and

1           (2) A retired police officer or survivor currently receiving  
2 retirement benefits from a local policemen's pension and relief fund of four  
3 hundred dollars (\$400) or more per month shall receive a supplement under the  
4 program of fifteen dollars (\$15.00) per month.

5           (e) Any retired police officers or survivor may submit to the Arkansas  
6 Fire and Police Pension Review Board an application for the pension  
7 supplement, in a form specified by the Board. The application form must be  
8 submitted between July 1 and July 31 of each year. Following July 31 of each  
9 year, the Arkansas Fire and Police Pension Review Board shall review the  
10 applications submitted by the due date and shall pay to each eligible person  
11 an amount each month thereafter, computed in accordance with subsection (d) of  
12 this section, which payment shall be treated for all purposes as a supplement  
13 to the retirement benefits received by such person.

14           (f) Amounts transferred to the Board pursuant to Arkansas Code § 24-11-  
15 302(h)(4) which exceed the amounts required to be paid by the Board under the  
16 program shall be paid by the Board to the State Treasury on or after July 1 of  
17 each fiscal year following the Board's payments required by subsection (e) of  
18 this section.

19           (g) This program shall become effective July 1, 1999, the first  
20 payments may be made under this program beginning July 31, 1999, and the first  
21 transfer pursuant to § 24-11-302(h)(4) shall occur on July 25, 1999 and on  
22 each July 25 thereafter."

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24           SECTION 4. All provisions of this act of general and permanent nature  
25 are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code  
26 Revision Commission shall incorporate the same in the Code.

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28           SECTION 5. If any provisions of this act or the application thereof to  
29 any person or circumstance is held invalid, the invalidity shall not affect  
30 other provisions or applications of the act which can be given effect without  
31 the invalid provisions or application, and to this end the provisions of this  
32 act are declared to be severable.

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34           SECTION 6. All laws and parts of laws in conflict with this act are  
35 hereby repealed.

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1 SECTION 7. EMERGENCY CLAUSE. It is hereby found and determined by the  
2 Eighty-second General Assembly that many of the retired police officers are  
3 not receiving adequate benefits, that often times, these officers have few  
4 financial resources outside of their pensions, that the policemen's pension  
5 and relief funds are often not able to pay full benefits to these officers  
6 because of their unfounded liabilities, and that a program which supplements  
7 the benefits of these retired officers which does not come from revenues of  
8 the pension funds themselves will benefit all citizens of the state and it is  
9 necessary to implement the changes in benefits at the beginning of the current  
10 fiscal year and therefore this act should have effect at that time.  
11 Therefore, an emergency is declared to exist and this act being immediately  
12 necessary for the preservation of the public peace, health and safety shall  
13 become effective on July 1, 1999.

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15 /s/ R. Smith, et al

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18 APPROVED: 4/15/1999  
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