

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 330 of 1999
SENATE BILL 185

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*
8
9

For An Act To Be Entitled

11 "AN ACT TO AMEND ARKANSAS CODE 24-8-302(c) TO
12 PRESCRIBE THE AUTHORITY OF FIRST OR SECOND CLASS
13 CITIES WITH MUNICIPAL JUDGES' AND CLERKS' PENSION
14 PLANS WITH ASSETS IN EXCESS OF \$100,000 TO EMPLOY AN
15 INVESTMENT ADVISOR TO INVEST PLAN ASSETS PURSUANT TO
16 CITY POLICY; TO REQUIRE THE CITY TO FOLLOW THE SAME
17 STANDARD OF CARE FOLLOWED BY STATE RETIREMENT SYSTEMS
18 IN THEIR INVESTMENTS IN ARKANSAS CODE 24-3-417 THROUGH
19 24-3-426; AND FOR OTHER PURPOSES. "
20

Subtitle

21 "TO PRESCRIBE THE AUTHORITY OF FIRST OR
22 SECOND CLASS CITIES WITH MUNICIPAL
23 JUDGES' AND CLERKS' PENSION PLANS WITH
24 ASSETS IN EXCESS OF \$100,000 TO EMPLOY
25 AN INVESTMENT ADVISOR TO INVEST PLAN
26 ASSETS PURSUANT TO CITY POLICY. "
27
28
29

30 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
31

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

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

1 (2) A city having a municipal judges' and clerks' pension plan
2 with assets in excess of \$100,000 shall, subject to subdivision (3), have full
3 power to invest and reinvest the moneys of the plan and to hold, purchase,
4 sell, assign, transfer, or dispose of any of the investments so made as well
5 as the proceeds of the investments and moneys. Such authority shall be
6 implemented by the mayor and city treasurer.

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

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

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

18 (6) A city, mayor, or city treasurer, who complies with the
19 requirements of § 24-3-425(a), is not liable to the beneficiaries or to the
20 trust for the decisions or actions of the agent to whom the function was
21 delegated.

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

25
26 SECTION 2. All provisions of this act of a general and permanent nature
27 are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code
28 Revision Commission shall incorporate the same in the Code.

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

35
36 SECTION 4. All laws and parts of laws in conflict with this act are

1 hereby repealed.

2 /s/ Argue, et aAPPROVED: BECAME LAW ON 2/28/1999, WITHOUT THE GOVERNOR'S

3 SIGNATURE. 1