

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.

Act 79 of the Regular Session

1 State of Arkansas
2 87th General Assembly
3 Regular Session, 2009

A Bill

SENATE BILL 139

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5 By: Senator Faris
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For An Act To Be Entitled

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9 AN ACT CONCERNING THE FIDUCIARY DUTIES OF THE
10 TRUSTEES OF THE STATE-SUPPORTED RETIREMENT
11 SYSTEMS; TO REQUIRE REPRESENTATIVES FROM THE
12 STATE-SUPPORTED RETIREMENT SYSTEMS TO APPEAR
13 BEFORE THE LEGISLATIVE REVIEW COMMITTEE IN
14 CERTAIN SITUATIONS; AND FOR OTHER PURPOSES.
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Subtitle

16
17 AN ACT CONCERNING THE FIDUCIARY DUTIES
18 OF THE TRUSTEES OF THE STATE-SUPPORTED
19 RETIREMENT SYSTEMS; TO REQUIRE
20 REPRESENTATIVES OF THE RETIREMENT
21 SYSTEMS TO APPEAR BEFORE THE LEGISLATIVE
22 REVIEW COMMITTEE IN CERTAIN SITUATIONS.
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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 § 24-2-618, concerning the delegation of
28 investment and management functions, is amended to add an additional
29 subsection to read as follows:

30 (f)(1) Notwithstanding § 19-11-201 et seq., the board of trustees of
31 the respective state retirement systems shall promptly implement their
32 investment directives consistent with the duty of care required of a
33 fiduciary under the prudent investor rules in this chapter.

34 (2) If in the capacity as fiduciary, the trustees deem it
35 appropriate to immediately retain an investment manager or to alter the terms



1 of an existing agreement with an investment manager, the trustees shall:

2 (A) Pass a resolution stating the reason for the immediate
3 retention of the investment manager;

4 (B) State the anticipated date of implementation; and

5 (C) Provide the Office of Procurement and the staff of the
6 Legislative Review Committee the information contained in subdivisions (2)(A)
7 and (B) of this section within five (5) business days.

8 (3) As required by the Legislative Review Committee, a member of
9 the board of trustees or the director of the respective retirement system
10 fund shall appear before the next occurring meeting of that body to explain
11 the details of the Professional Services Contracts in question.

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13 **APPROVED: 2/09/2009**
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