

1 State of Arkansas  
2 92nd General Assembly  
3 Regular Session, 2019  
4

As Engrossed: S2/18/19

# A Bill

SENATE BILL 241

5 By: Senator B. Sample  
6

## For An Act To Be Entitled

8 AN ACT CONCERNING THE FUTURE SUPPLEMENT FUND-POLICE  
9 AND THE FUTURE SUPPLEMENT FUND-FIRE; CONCERNING THE  
10 ALLOCATION OF INSURANCE PREMIUM TAX; TO DECLARE AN  
11 EMERGENCY; AND FOR OTHER PURPOSES.  
12  
13

## Subtitle

14 CONCERNING THE FUTURE SUPPLEMENT FUND-  
15 POLICE AND THE FUTURE SUPPLEMENT FUND-  
16 FIRE; CONCERNING THE ALLOCATION OF  
17 INSURANCE PREMIUM TAX; AND TO DECLARE AN  
18 EMERGENCY.  
19  
20  
21

22 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
23

24 SECTION 1. Arkansas Code § 24-11-212 is amended to read as follows:

25 24-11-212. Future ~~supplement funds~~ Supplement Fund.

26 (a) A Future Supplement ~~Fund Police and a Future Supplement Fund Fire~~  
27 ~~are~~ Fund is created for the purpose of providing cost-of-living assistance  
28 and minimum-benefit-amount assistance to policemen's pension and relief funds  
29 and firemen's relief and pension funds.

30 (b) ~~The Future Supplement Fund Police and Future Supplement Fund Fire~~  
31 Fund shall be administered by the Arkansas Fire and Police Pension Review  
32 Board.

33 (c) ~~Each year the Future Supplement Fund Police and Future Supplement~~  
34 ~~Fund Fire will receive moneys from:~~ Each year the Future Supplement Fund  
35 shall receive moneys from the premium tax allocation under § 24-11-214 based  
36 on the total of the amounts listed in subdivision (d)(1) of this section.



1 ~~(1) The portion of each location's premium tax allocation based~~  
2 ~~on number of members as of December 31, 2000, who are no longer receiving~~  
3 ~~benefits and these amounts as defined in § 24-11-214(g); and~~

4 ~~(2) The portion of the increase in the amount allocated to~~  
5 ~~general revenues under § 24-11-213 as this amount is defined in that section.~~

6 (d)(1) In each regular session, the General Assembly shall decide the  
7 method and amount to be distributed from the Future Supplement Fund Police  
8 and Future Supplement Fund Fire Beginning on June 30, 2019, and continuing on  
9 June 30 of each following year, the Future Supplement Fund may distribute to  
10 local policemen's pension and relief funds and local firemen's relief and  
11 pension funds to pay retired members, beneficiaries, or members of a deferred  
12 retirement option plan the following:

13 (A) Two thousand two hundred and forty dollars (\$2,240) to  
14 each retired member, beneficiary, or member of the deferred retirement option  
15 plan of a policemen's pension and relief fund;

16 (B) One thousand six hundred and twenty dollars (\$1,620)  
17 to each retired member, beneficiary, or member of the deferred retirement  
18 option plan who was a paid member of a firemen's relief and pension fund; and

19 (C) Three hundred dollars (\$300) to each retired member or  
20 beneficiary who was a volunteer member of a firemen's relief and pension  
21 fund.

22 (2) Beginning on June 30, 2020, and continuing each following  
23 year, the amounts listed in subdivision (d)(1) of this section shall be  
24 increased by a two-and-five-tenths percent (2.5%) compound cost-of-living  
25 adjustment.

26 (3) Beginning on June 30, 2020, and continuing each following  
27 year, the amount distributed to a paid member of the firemen's relief and  
28 pension fund shall be increased in seven (7) installments until the amount,  
29 beginning on June 30, 2026, is equal to the amount distributed to each member  
30 of the policemen's pension and relief fund.

31 ~~(2)(A) Beginning June 30, 2003, and June 30 of each following~~  
32 ~~year, the Future Supplement Fund Police and Future Supplement Fund Fire are~~  
33 ~~authorized to distribute one hundred percent (100%) of the amount added to~~  
34 ~~the Future Supplement Fund Police and Future Supplement Fund Fire the~~  
35 ~~previous June 30 and any current reserve funds.~~

36 ~~(B) The amount shall be distributed to the local~~

1 ~~policemen's pension and relief funds and local firemen's relief and pension~~  
 2 ~~funds to be paid to members who are retired, beneficiaries, or members on the~~  
 3 ~~deferred retirement option plan.~~

4 ~~(C) For the purposes of distribution, a volunteer member~~  
 5 ~~shall receive an amount equal to one fifth (1/5) of the amount distributed to~~  
 6 ~~a paid member.~~

7 ~~(D) The distribution shall be calculated and approved by~~  
 8 ~~the board.~~

9 (e) At the time that there are no longer any members covered by local  
 10 policemen's pension and relief funds and local firemen's relief and pension  
 11 funds, any remainder of the Future Supplement ~~Fund~~ Police and Future  
 12 Supplement Fund ~~Fire Fund~~ shall be transferred to the Arkansas Local Police  
 13 and Fire Retirement System to be used solely by a covered employer to defray  
 14 the covered employer's employer contribution costs to the system.

15 (f) The Arkansas Fire and Police Pension Review Board may use an  
 16 amount allocated in previous years that has not been distributed for the  
 17 Future Supplement Fund to:

18 (1) Ensure the distribution of an amount listed in subdivision  
 19 (d)(1) of this section; and

20 (2) Help offset a reduction described in § 24-11-215.

21  
 22 SECTION 2. Arkansas Code § 24-11-213 is amended to read as follows:

23 24-11-213. Allocation of insurance premium tax – Apportionments.

24 (a)(1)(A) The premium taxes collected under § 24-11-301 shall be  
 25 placed in a fund combined with the premium taxes collected pursuant to § 24-  
 26 11-809.

27 (B) The combined fund shall be entitled the "Firemen's and  
 28 Police Officers' Pension and Relief Fund".

29 (C) The Firemen's and Police Officers' Pension and Relief  
 30 Fund shall consist of a "fire portion" and a "police portion".

31 (2) The remaining revenues collected under §§ 23-60-102, 24-11-  
 32 301, 24-11-809, 26-57-601 – 26-57-605, and 26-57-607 shall be distributed to  
 33 the Firemen's and Police Officers' Pension and Relief Fund and to the State  
 34 of Arkansas as general revenues.

35 (3) Revenues distributed to the State of Arkansas as general  
 36 revenues are subject to the allocations under § 24-11-215.

1           ~~(b) The revenues shall be distributed in a manner that the Firemen's~~  
2 ~~and Police Officers' Pension and Relief Fund and the General Revenue Fund~~  
3 ~~Account will each receive distributions of no less than they received in~~  
4 ~~fiscal year 1999, except that: The allocation of funds between the Firemen's~~  
5 ~~and Police Officers' Pension and Relief Fund and the General Revenue Fund~~  
6 ~~Account under this section is subject to the following conditions:~~

7           ~~(1) If the revenues to be distributed in a subsequent year are~~  
8 ~~less than the revenues distributed in 1999, the distributions to each shall~~  
9 ~~be reduced proportionately The Arkansas Fire and Police Pension Review Board~~  
10 ~~shall review annually the distribution of funds to each qualified city, town,~~  
11 ~~or fire protection district made in the previous calendar year before~~  
12 ~~disbursing funds to an area qualified under § 24-11-214;~~

13           ~~(2) If additional fire departments become eligible for~~  
14 ~~distributions from the Firemen's and Police Officers' Pension and Relief~~  
15 ~~Fund, the base amount for the state shall be reduced in proportion to the~~  
16 ~~population in the area served by the fire department to the portion of the~~  
17 ~~population of the state not covered by a fire department receiving a~~  
18 ~~distribution from the Firemen's and Police Officers' Pension and Relief Fund~~  
19 ~~The board shall consider as part of the annual assessment of the allocation~~  
20 ~~of the disbursement of funds under § 24-11-214:~~

21           ~~(A) The certification of a new city, town, or fire~~  
22 ~~protection district for participation in the Firemen's and Police Officers'~~  
23 ~~Pension and Relief Fund;~~

24           ~~(B)(i) A change in the legal description of a city, town,~~  
25 ~~or fire protection district.~~

26           ~~(ii) A change in the legal description of a city,~~  
27 ~~town, or fire protection district shall be reported to the board annually by~~  
28 ~~December 15; and~~

29           ~~(C) A population change that is caused by a change in the~~  
30 ~~legal description of a city, town, or fire protection district; and~~

31           ~~(3)(A) If additional police departments become eligible for~~  
32 ~~distributions from the Firemen's and Police Officers' Pension and Relief~~  
33 ~~Fund, the base amount for the state shall be reduced in proportion to the~~  
34 ~~population in the area served by the police department to the portion of the~~  
35 ~~population of the state not covered by a police department receiving a~~  
36 ~~distribution from the Firemen's and Police Officers' Pension and Relief Fund~~

1 The total population of a city, town, or fire protection district that is  
2 qualified to participate in the Firemen's and Police Officers' Pension and  
3 Relief Fund shall be determined by a census population assessment in the  
4 city, town, or fire protection district.

5 (B) The population of a city, town, or fire protection  
6 district shall be determined by the Census State Data Center at the Arkansas  
7 Economic Development Institute at the University of Arkansas Little Rock;

8 (4) The legal description of the metes and bounds of a city,  
9 town, or fire protection district shall be:

10 (A) Based on:

11 (i) The standard physical features of the area; or

12 (ii) Boundaries that are determined by a Global  
13 Positioning System survey if the legal description of the metes and bounds of  
14 a city, town, or fire protection district cannot be based on the standard  
15 physical features of the area; and

16 (B) Determined by:

17 (i) A surveyor licensed in Arkansas;

18 (ii) A preexisting map maintained by the city, town,  
19 or fire protection district; or

20 (iii) The Geographic Information Systems  
21 Applications Laboratory located in the Donald W. Reynolds Center for Business  
22 and Economic Development at the University of Arkansas at Little Rock;

23 (5)(A) The preferred legal description of the metes and bounds  
24 of a city, town, or fire protection district shall be based on the standard  
25 physical features of the area.

26 (B) A local department shall change the description of the  
27 metes and bounds of the department to the standard physical features of the  
28 area.

29 (C) In the case of a fire department, the county quorum  
30 court shall determine the description of the standard physical features of  
31 the area if the local chief cannot make the determination; and

32 (6) The accuracy of the metes and bounds legal description of a  
33 city, town, or fire protection district shall be certified to the board by  
34 the:

35 (A) Mayor or other qualified representative of a city or  
36 town; or

1 (B) County fire coordinator of a rural fire protection  
2 district.

3 ~~(c)(1) Except as provided under subsection (b) of this section, the~~  
4 ~~portion distributed to the Firemen's and Police Officers' Pension and Relief~~  
5 ~~Fund shall be based on the ratio percentage of the total population of the~~  
6 ~~cities, towns, or fire protection districts qualified to participate in the~~  
7 ~~Firemen's and Police Officers' Pension and Relief Fund in comparison to the~~  
8 ~~total population of the State of Arkansas~~ The portion of revenues that may be  
9 distributed to the Firemen's and Police Officers' Pension and Relief Fund  
10 under this section shall be:

11 (A) Forty percent (40%) of the total actuarial cost for a  
12 paid group covered by the Arkansas Local Police and Fire Retirement System;

13 (B) One hundred percent (100%) of the actuarial cost for a  
14 volunteer group covered by the Arkansas Local Police and Fire Retirement  
15 System minus required employer contributions; and

16 (C) Thirty percent (30%) of the consolidation and local  
17 pension and relief fund actuarial costs as provided under § 24-11-214.

18 (2) The remaining percentage portion of revenues shall be  
19 distributed to the General Revenue Fund Account of the State Apportionment  
20 Fund.

21 ~~(3)(A) Beginning with the allocation in fiscal year 2012, the~~  
22 ~~portion distributed shall be at least the portion distributed under~~  
23 ~~subdivision (c)(1) of this section~~ The portion of revenues distributed in  
24 accordance with subdivision (c)(1) of this section is subject to the  
25 requirements of § 24-11-215.

26 ~~(B) The portion distributed under this section shall be:~~

27 ~~(i) Forty percent (40%) of the total actuarial cost~~  
28 ~~for groups covered by the Arkansas Local Police and Fire Retirement System;~~  
29 ~~plus~~

30 ~~(ii) One hundred percent (100%) of the volunteer~~  
31 ~~costs for these groups less the required employer contribution; plus~~

32 ~~(iii) Thirty percent (30%) of the consolidation and~~  
33 ~~local pension and relief fund actuarial costs as defined under § 24-11-214.~~

34 ~~(C) The portion distributed is subject to the limits under~~  
35 ~~§ 24-11-215.~~

36 (d) ~~The allocation of funds between the Firemen's and Police Officers'~~

1 ~~Pension and Relief Fund and the General Revenue Fund Account under this~~  
2 ~~section shall be subject to the following conditions: The amount of revenues~~  
3 ~~allocated to the Firemen's and Police Officers' Pension and Relief Fund for~~  
4 ~~the fire portion and the amount of revenues allocated to the Firemen's and~~  
5 ~~Police Officers' Pension and Relief Fund for the police portion shall be kept~~  
6 ~~separate.~~

7 ~~(1) Each calendar year the Arkansas Fire and Police Pension~~  
8 ~~Review Board shall review its previous calendar year distribution of funds to~~  
9 ~~each qualified city, town, or fire protection district prior to disbursement~~  
10 ~~to each of these qualified areas in compliance with § 24-11-214(h);~~

11 ~~(2) The certification of any new city, town, or fire protection~~  
12 ~~district to participate in the Firemen's and Police Officers' Pension and~~  
13 ~~Relief Fund shall be considered in the board's assessment each calendar year~~  
14 ~~of the allocation of the disbursement of the funds under § 24-11-214(h);~~

15 ~~(3)(A) Any change in the legal description of any city, town, or~~  
16 ~~fire protection district will be considered in the board's assessment each~~  
17 ~~year.~~

18 ~~(B) Any changes shall be reported to the board by December~~  
19 ~~15 of each calendar year.~~

20 ~~(C) The associated population change caused by the change~~  
21 ~~in legal description shall also be considered;~~

22 ~~(4) The total population of the cities, towns, or fire~~  
23 ~~protection districts qualified to participate in the Firemen's and Police~~  
24 ~~Officers' Pension and Relief Fund will be determined by a census population~~  
25 ~~assessment in the city, town, or fire protection district;~~

26 ~~(5)(A) The legal description of the metes and bounds of the~~  
27 ~~city, town, or fire protection district shall be based on standard physical~~  
28 ~~features of the area.~~

29 ~~(B) If the legal description cannot be based on standard~~  
30 ~~physical features, a Global Positioning System survey shall be conducted to~~  
31 ~~determine the boundaries;~~

32 ~~(6)(A) The preferred description of the area will be based on~~  
33 ~~standard physical features.~~

34 ~~(B) Each local department shall change the department's~~  
35 ~~description of metes and bounds to the standard physical features'~~  
36 ~~description.~~

1 ~~(C) In the case of a fire department, if the local chief~~  
2 ~~cannot agree on a standard physical features' description, the county quorum~~  
3 ~~court will make the decision;~~

4 ~~(7) The mayor or other qualified representative of each city or~~  
5 ~~town or the county fire coordinator for a rural fire protection district~~  
6 ~~shall certify to the board the accuracy of the metes and bounds legal~~  
7 ~~description of the area;~~

8 ~~(8) The metes and bounds legal description shall be determined~~  
9 ~~by a surveyor licensed in the State of Arkansas, by a preexisting map held by~~  
10 ~~the city, town, or fire protection district, or by the Institute for Economic~~  
11 ~~Advancement at the College of Business Administration at the University of~~  
12 ~~Arkansas at Little Rock's Geographic Information Systems Lab;~~

13 ~~(9) The population of the area shall be determined by the Census~~  
14 ~~State Data Center at the Institute for Economic Advancement at the College of~~  
15 ~~Business Administration at the University of Arkansas at Little Rock's~~  
16 ~~Geographic Information Systems Lab; and~~

17 ~~(10) The amount of revenues allocated to the Firemen's and~~  
18 ~~Police Officers' Pension and Relief Fund shall be kept separate for the fire~~  
19 ~~portion and the police portion.~~

20  
21 SECTION 3. Arkansas Code § 24-11-214 is amended to read as follows:

22 24-11-214. Allocation of insurance premium tax – Division among  
23 localities.

24 (a) An actuary certified by the Society of Actuaries shall evaluate  
25 the information submitted under §§ 24-11-213 – 24-11-215 to determine the  
26 amount of the premium tax revenues to be directed to each city, town, or fire  
27 protection district.

28 (b)(1) It is the intent of the General Assembly that the allocation of  
29 revenues to the Firemen's and Police Officers' Pension and Relief Fund be  
30 directed to a city, town, or fire protection district based on the actuarial  
31 cost of their retirement programs.

32 (2) The actuarial cost for a calendar year:

33 (A)(i) For a group that is a member of the Arkansas Local  
34 Police and Fire Retirement System, shall equal that group's calculated  
35 contribution rate, as defined in § 24-10-405, as of the beginning of that  
36 calendar year multiplied by that group's estimated annual payroll as of the



1 beginning of that calendar year.

2 (ii) ~~The group's actuarial cost under this section~~  
3 ~~shall be reduced by the group's estimated annual payroll as of the beginning~~  
4 ~~of that calendar year multiplied by one percent (1%) for the 2008 allocation,~~  
5 ~~two percent (2%) for the 2009 allocation, and three percent (3%) for~~  
6 ~~allocations after 2009.~~

7 ~~(iii)~~ However, for volunteer members the actuarial  
8 cost shall equal the group's per-person cost, less the mandatory employer  
9 per-person cost, as of the beginning of that calendar year multiplied by the  
10 number of volunteer members in that group as of the beginning of that  
11 calendar year.

12 ~~(iv)~~(iii) The additional cost for a group that is a  
13 member of the Arkansas Local Police and Fire Retirement System that results  
14 from a consolidation of a local policemen's pension and relief fund or a  
15 local firemen's relief and pension fund shall be calculated separately for  
16 this allocation purpose;

17 (B) For a group that is covered by a local policemen's  
18 pension and relief fund or a local firemen's relief and pension fund, shall  
19 be the cost calculated by the actuary for the Arkansas Fire and Police  
20 Pension Review Board for the preceding calendar year; and

21 (C)(i) ~~Shall include the cost of any benefit enhancements~~  
22 ~~mandated by state law but shall not include any benefit enhancement that is~~  
23 ~~the result of local options or increases after January 1, 2003;~~

24 ~~(D)~~ ~~Shall not include the cost of any benefit~~  
25 ~~enhancements, either mandated by state law or as a result of local options,~~  
26 ~~enacted after January 1, 2007; and~~

27 ~~(E)~~(i) ~~Beginning with the allocation in fiscal year 2012,~~  
28 ~~all actuarial costs~~ An actuarial cost in this subsection shall be calculated  
29 on the base benefit.

30 (ii) The base benefit is the minimum amount  
31 prescribed under § 24-10-101 et seq. and § 24-11-101 et seq., excluding all  
32 elective benefit increases.

33 (c) The amount of revenues to be directed to cities, towns, and fire  
34 protection districts shall equal the amount in the Firemen's and Police  
35 Officers' Pension and Relief Fund, less the payment for the administrative  
36 and actuarial expenses of the board under subsection (i) of this section and

1 under § 24-11-203.

2 ~~(1) The payment for the administrative and actuarial expenses of~~  
3 ~~the board under subsection (k) of this section and under § 24-11-203(k)(3);~~  
4 ~~and~~

5 ~~(2) The amount described in subsection (g) of this section.~~

6 (d) The amount of revenue directed to a city, town, or fire protection  
7 district shall equal the amount described in subsection (c) of this section  
8 less the amount described in subsection (e) of this section.

9 ~~(d)(1) In general, the revenues shall be allocated in each calendar~~  
10 ~~year to each city, town, or fire protection district so that each city, town,~~  
11 ~~or fire protection district receives the same percentage of its total cost as~~  
12 ~~it received in 2002 but not more than one hundred percent (100%) of its cost.~~

13 ~~(2) Any remaining revenues are to be allocated to those~~  
14 ~~receiving less than one hundred percent (100%) of their cost.~~

15 ~~(e) This allocation shall keep the fire portion and the police portion~~  
16 ~~separate and shall be accomplished by the following steps:~~

17 ~~(1) The actuarial cost for calendar year 2002 for each local~~  
18 ~~policemen's pension and relief fund or each local firemen's relief and~~  
19 ~~pension fund shall be determined;~~

20 ~~(2) The actual dollar amount of contributions for calendar year~~  
21 ~~2002 for each group covered by the system shall be determined;~~

22 ~~(3) The total of subdivisions (e)(1) and (2) of this section~~  
23 ~~shall be determined for each city, town, and fire protection district, and~~  
24 ~~this total shall be determined separately for the fire portion and for the~~  
25 ~~police portion, and a combined total of the fire portion and the police~~  
26 ~~portion shall also be determined;~~

27 ~~(4) The amount of premium tax revenue allocated to each city,~~  
28 ~~town, and fire protection district in calendar year 2002 shall be determined,~~  
29 ~~and this amount shall be determined separately for the fire portion and for~~  
30 ~~the police portion, and a combined total of the fire portion and the police~~  
31 ~~portion shall also be determined;~~

32 ~~(5) A percentage called the "calendar year 2002 percentage of~~  
33 ~~costs covered by premium tax" shall be determined as the ratio of subdivision~~  
34 ~~(e)(4) of this section divided by subdivision (e)(3) of this section, and the~~  
35 ~~percentage shall be determined separately for the fire portion, for the~~  
36 ~~police portion, and for the combined total;~~

1 ~~(6)(A) A percentage called the "minimum percentage covered"~~  
2 ~~shall be determined as the lesser of:~~

3 ~~(i) The calendar year 2002 percentage of costs~~  
4 ~~covered by premium tax; or~~

5 ~~(ii) One hundred percent (100%).~~

6 ~~(B) This minimum percentage covered shall be determined~~  
7 ~~separately for the fire portion, for the police portion, and for the combined~~  
8 ~~total.~~

9 ~~(C) The minimum percentage covered shall be a fixed~~  
10 ~~percentage and shall not change over time, except as provided in subdivision~~  
11 ~~(e)(6)(E) of this section.~~

12 ~~(D) The minimum percentage covered for the volunteer~~  
13 ~~portion of the actuarial cost for a calendar year in the Arkansas Local~~  
14 ~~Police and Fire Retirement System shall be one hundred percent (100%).~~

15 ~~(E)(i) The minimum percentage covered shall be adjusted~~  
16 ~~when a local fire or police pension fund assigns administrative~~  
17 ~~responsibility for the fund to the Arkansas Local Police and Fire Retirement~~  
18 ~~System under §§ 24-10-301 and 24-10-302.~~

19 ~~(ii) The minimum percentage covered shall be~~  
20 ~~adjusted so that the dollar amount of premium tax allocated under this~~  
21 ~~section for the year after the assignment of administrative responsibility~~  
22 ~~will be the same as it was the year of the assignment of administrative~~  
23 ~~responsibility.~~

24 ~~(iii) For the purpose of this adjustment,~~  
25 ~~subdivision (b)(2)(D) of this section does not apply to the addition of a~~  
26 ~~cost-of-living adjustment of three percent (3%) compounded each year,~~  
27 ~~provided the addition was a part of the consolidation process;~~

28 ~~(7) The actuarial cost for the calendar year of allocation for~~  
29 ~~each local policemen's pension and relief fund or each local firemen's relief~~  
30 ~~and pension fund shall be determined;~~

31 ~~(8) The actuarial cost for the calendar year of allocation for~~  
32 ~~each group covered by the system shall be determined;~~

33 ~~(9) The total of subdivisions (e)(7) and (8) of this section~~  
34 ~~shall be determined for each city, town, and fire protection district, and~~  
35 ~~this total shall be determined separately for the fire portion and for the~~  
36 ~~police portion, and a combined total of the fire portion and the police~~

1 ~~portion shall also be determined;~~

2 ~~(10)(A) The "first allocation" for each city, town, and fire~~  
3 ~~protection district shall be equal to the result of the minimum percentage~~  
4 ~~covered from subdivision (e)(6) of this section multiplied by subdivision~~  
5 ~~(e)(9) of this section.~~

6 ~~(B) This first allocation shall be the greater of:~~

7 ~~(i) The "first allocation" for the fire portion plus~~  
8 ~~the "first allocation" for the police portion; or~~

9 ~~(ii) The "first allocation" for the combined total;~~

10 ~~(11) The results of subdivision (e)(10) of this section shall be~~  
11 ~~reduced, but not below zero (0), by the amount in the subsidy account of the~~  
12 ~~city, town, or fire protection district at the beginning of the calendar year~~  
13 ~~under subsection (f) of this section;~~

14 ~~(12)(A) If the total premium tax revenue as determined under~~  
15 ~~subsection (e) of this section is less than the total allocated through~~  
16 ~~subdivision (e)(11) of this section, the total premium tax revenue shall be~~  
17 ~~allocated pro rata on the amounts under subdivision (e)(10) of this section,~~  
18 ~~so that the total through subdivision (e)(11) of this section equals the~~  
19 ~~amount determined under subsection (e) of this section.~~

20 ~~(B) If the total premium tax revenue as determined under~~  
21 ~~subsection (e) of this section is more than the total allocated through~~  
22 ~~subdivision (e)(11) of this section, the excess, not to exceed the total of~~  
23 ~~amounts under subdivision (e)(9) of this section minus the amounts under~~  
24 ~~subdivision (e)(10) of this section, shall be allocated pro rata on the~~  
25 ~~excess, if any, of the amounts under subdivision (e)(9) of this section over~~  
26 ~~the amounts under subdivision (e)(10) of this section.~~

27 ~~(C) If the total premium tax revenue as determined under~~  
28 ~~subsection (e) of this section is more than the total allocated through~~  
29 ~~subdivision (e)(11) of this section plus the amount allocated under~~  
30 ~~subdivision (e)(12)(B) of this section, the excess shall be allocated to the~~  
31 ~~Future Supplement Fund Police or Future Supplement Fund Fire under § 24-11-~~  
32 ~~212; and~~

33 ~~(13) The total amount allocated to a city, town, or fire~~  
34 ~~protection district shall be the sum of amounts under subdivisions (e)(11)~~  
35 ~~and (12) of this section.~~

36 ~~(f)(1) The allocation in subdivision (e)(10) of this section is~~

1 ~~reduced under subdivision (e)(11) of this section by the subsidy account for~~  
 2 ~~each city, town, or fire protection district.~~

3 ~~(2) The subsidy account for a city, town, or fire protection~~  
 4 ~~district as of January 1, 2003, shall be determined by the board to be the~~  
 5 ~~excess, if any, of the total premium tax for firemen's relief and pension~~  
 6 ~~funds and policemen's pension and relief funds allocated to the city, town,~~  
 7 ~~or fire protection district in the calendar years 1997 through 2002 over the~~  
 8 ~~sum of:~~

9 ~~(A) The contributions paid to the system for calendar~~  
 10 ~~years 1997 through 2002; plus~~

11 ~~(B) The amount of premium tax allocated to the local~~  
 12 ~~policemen's pension and relief funds or local firemen's relief and pension~~  
 13 ~~funds for 1997 through 2002; plus~~

14 ~~(C) Any transfers from the "LOPFI subsidy account" to the~~  
 15 ~~local policemen's pension and relief funds or local firemen's relief and~~  
 16 ~~pension funds from 1997 through 2002.~~

17 ~~(3) Beginning January 1, 2004, and each January 1 thereafter,~~  
 18 ~~the subsidy account for a city, town, or fire protection district shall be~~  
 19 ~~determined by the board to be:~~

20 ~~(A) The subsidy account at the prior January 1; plus~~

21 ~~(B) The premium tax allocated in the prior calendar year;~~  
 22 ~~minus~~

23 ~~(C) The contributions paid to the system for the prior~~  
 24 ~~calendar year; minus~~

25 ~~(D) The actuarial cost of the local policemen's pension~~  
 26 ~~and relief funds or local firemen's relief and pension funds for the prior~~  
 27 ~~calendar year; but~~

28 ~~(E) Not less than zero (0).~~

29 ~~(g)(1)(e) There shall be allocated amounts to the Future Supplement~~  
 30 ~~Fund Fire and the Future Supplement Fund Police under § 24-11-212 determined~~  
 31 ~~as the amount under subsection (e) of this section multiplied by the ratio of~~  
 32 ~~the number as determined in subdivision (g)(1)(A) of this section to the~~  
 33 ~~number as determined in subdivision (g)(1)(B) of this section as follows: The~~  
 34 ~~Future Supplement Fund shall be allocated the amount determined as the total~~  
 35 ~~amount under § 24-11-212.~~

36 ~~(A) The total number of active, retiree, and beneficiary~~

1 ~~members of all of the firemen's relief and pension funds and policemen's~~  
 2 ~~pension and relief funds as of December 31, 2000, minus the total number of~~  
 3 ~~active, retiree, and beneficiary members of all of the firemen's relief and~~  
 4 ~~pension funds or the policemen's pension and relief funds as of the most~~  
 5 ~~recent December 31; and~~

6 ~~(B) The number of active, retiree, and beneficiary fire or~~  
 7 ~~police members of the system plus the total number of active, retiree, and~~  
 8 ~~beneficiary members of all of the firemen's relief and pension funds or the~~  
 9 ~~policemen's pension and relief funds as of December 31, 2000.~~

10 ~~(2) In the case of multiple beneficiaries of a single deceased~~  
 11 ~~member, those beneficiaries shall be counted as one (1) for the purposes of~~  
 12 ~~this subsection.~~

13 ~~(3) In the case of paid service and volunteer service members in~~  
 14 ~~one (1) location, one (1) paid service member shall be equal to five (5)~~  
 15 ~~volunteer service members for the purposes of this subsection.~~

16 ~~(h)(1)(A)(f)(1)(A)~~ All cities, towns, and fire protection districts  
 17 having fire departments organized under §§ 24-11-801 – 24-11-807, 24-11-809,  
 18 24-11-813 – 24-11-815, and 24-11-818 – 24-11-820, and all cities and towns  
 19 having police departments organized under § 24-11-101 et seq., § 24-11-201 et  
 20 seq., § 24-11-301 et seq., § 24-11-401 et seq., and §§ 24-11-801 – 24-11-807,  
 21 24-11-809, 24-11-811 – 24-11-820, 24-11-822 – 24-11-827, 24-11-829, and 24-  
 22 11-830 that have provided the information required under §§ ~~24-11-213(d)~~ 24-  
 23 11-206 and ~~24-11-206~~ 24-11-213 to the board and to the system shall qualify  
 24 for participation in the revenues distributed.

25 (B) Those cities, towns, and fire protection districts  
 26 that make an irrevocable decision to elect coverage in the Arkansas Local  
 27 Police and Fire Retirement System by December 14 shall qualify for  
 28 participation in the revenues distributed in the following calendar year.

29 (C) Those cities, towns, and fire protection districts  
 30 that have not provided the required information shall not qualify for  
 31 participation in the revenues distributed.

32 (2) On or before June 15 of each calendar year after 2002, the  
 33 board shall certify to the Department of Finance and Administration the exact  
 34 amount of tax revenues each city, town, or fire protection district is  
 35 entitled to receive for the calendar year under this section.

36 ~~(3)(A)(3) The eligibility of the city, town, or fire protection~~

1 ~~district shall be continuous for a ten year period without recertification~~  
2 ~~unless otherwise directed by the board.~~

3 ~~(B) The first year of implementation shall require a nine-~~  
4 ~~year cycle from June 15, 2001.~~

5 ~~(C) Thereafter, each city, town, or fire protection~~  
6 ~~district shall resubmit the information required in § 24-11-213(d)(2) and (3)~~  
7 ~~every ten (10) years beginning on December 15, 2010.~~

8 ~~(4) The Arkansas Fire Training Academy and the Arkansas Law~~  
9 ~~Enforcement Training Academy are not eligible for participation in the~~  
10 ~~receipt of or funding with premium tax revenues.~~

11 ~~(i)(g) All nonprofit corporations formed for fire protection purposes~~  
12 ~~and that participate in the system shall participate in the distribution of~~  
13 ~~insurance premium tax revenues to the same extent as other fire protection~~  
14 ~~organizations under this section, §§ 24-10-401 – 24-10-409, 24-11-809, and~~  
15 ~~26-57-610, and any other laws providing for the distribution of insurance~~  
16 ~~premium tax moneys to fire protection organizations.~~

17 ~~(j)(1)(h)(1) There shall be no administrative fees charged to these~~  
18 ~~entities by the board upon qualification.~~

19 (2) The board shall incur all administrative and actuarial costs  
20 associated with obtaining the information required under this section.

21 ~~(k)(1)(i)(1) The board shall establish a certain percentage of the~~  
22 ~~insurance tax revenues to use to meet its proper actuarial expenses and~~  
23 ~~administrative costs incurred in obtaining and evaluating the population~~  
24 ~~information required under § 24-11-213, but in no event shall the board be~~  
25 ~~entitled to more than one percent (1%) of the Firemen's and Police Officers'~~  
26 ~~Pension and Relief Fund as defined in § 24-11-809(a)(2).~~

27 (2) This assessment shall be collected in addition to the  
28 assessment provided in § ~~24-11-203(k)(3)~~ 24-11-203.

29 (3) This revenue shall also be used to provide the  
30 administrative costs incurred in obtaining and evaluating the population  
31 information for unqualified cities, towns, and fire protection districts.

32 ~~(l)(1)(j) Beginning with the allocation in fiscal year 2012, the The~~  
33 ~~amount allocated to groups that are members of the Arkansas Local Police and~~  
34 ~~Fire Retirement System excluding consolidation costs under subdivision~~  
35 ~~(b)(2)(A)(iv) (b)(2)(A)(iii) of this section is the actuarial cost under~~  
36 ~~subdivision (b)(2) of this section multiplied by the factor in § 24-11-215(f)~~

1 24-11-215.

2 ~~(2) For the allocations in fiscal years 2012—2015, the~~  
 3 ~~actuarial cost less the allocation amount shall not increase by more than one~~  
 4 ~~percent (1%) of covered payroll each year above the allocation amount in~~  
 5 ~~fiscal year 2011.~~

6 ~~(3) For the allocations in fiscal years 2012—2015, any amount~~  
 7 ~~needed to meet the transition under subdivision (1)(2) of this section shall~~  
 8 ~~proportionately reduce the percent of payroll of the other groups.~~

9 ~~(m)(k) Beginning with the allocation in fiscal year 2012, the The~~  
 10 ~~amount allocated to groups that are covered by a local firemen's relief and~~  
 11 ~~pension fund or a local policemen's relief and pension fund including~~  
 12 ~~consolidation costs under subdivision (b)(2)(A)(iv) (b)(2)(A)(iii) of this~~  
 13 ~~section is the actuarial cost under subdivision (b)(2) of this section~~  
 14 ~~multiplied by the factor in § ~~24-11-215(f)~~ 24-11-215.~~

15 ~~(n)(l) The Arkansas Fire and Police Pension Review Board shall~~  
 16 ~~promulgate rules that are necessary to implement this section.~~

17

18 SECTION 4. Arkansas Code § 24-11-215(d)-(f), concerning special  
 19 provisions regarding the allocation of insurance premium tax, are amended to  
 20 read as follows:

21 ~~(d) Fifty percent (50%) of the increase in the amount allocated to~~  
 22 ~~general revenues under § 24-11-213, using the dollar amount allocated in~~  
 23 ~~fiscal year 1999-2000 as the base amount, shall be transferred to the Future~~  
 24 ~~Supplement Fund Police under § 24-11-212.~~

25 ~~(e) The amounts under § 24-11-217 shall be reduced proportionately so~~  
 26 ~~that the remainder portion for general revenue does not fall below four~~  
 27 ~~million dollars (\$4,000,000).~~

28 ~~(f)(1)(A)(e)(1)(A) The factor applied to groups allocated under § 24-~~  
 29 ~~11-214(1) 24-11-214(j) is forty percent (40%).~~

30 ~~(B) The factor applied to groups allocated under § 24-11-~~  
 31 ~~214(m) 24-11-214(k) is thirty percent (30%).~~

32 (2) The factors under subdivision ~~(f)(1)~~ (e)(1) of this section  
 33 may be reduced proportionately to meet the following criteria:

34 (A) The general revenue portion resulting from this  
 35 subsection does not fall below four million dollars (\$4,000,000); and

36 (B) If the amount resulting from the application of the



1 percentages under subdivision ~~(f)(1)~~ (e)(1) of this section, ~~and~~ the amounts  
2 in subsections ~~(b)-(d)~~ (b) and (c) of this section, ~~and the amounts described~~  
3 in § 24-11-217 in total reduce the general revenue portion of the allocation  
4 below four million dollars (\$4,000,000), the amounts resulting from the  
5 percentages in this subsection take precedence.

6  
7 SECTION 5. Arkansas Code § 24-11-217(a) and (b), concerning additional  
8 allocations for certain underfunded plans, are amended to read as follows:

9 ~~(a)(1)(a)~~ Beginning with the allocation in fiscal year 2012, an An  
10 additional allocation for certain underfunded plans as described in this  
11 section is created.

12 ~~(2) The additional allocation replaces the Arkansas Fire and~~  
13 ~~Police Pension Guarantee Fund under § 24-11-209 [repealed] after the~~  
14 ~~allocation in fiscal year 2015.~~

15 (b) The ~~additional~~ allocation shall be based on ~~ten percent (10%)~~  
16 fifteen percent (15%) of the actuarial cost under § 24-11-214 and shall be  
17 available for certain policemen's pension and relief funds and firemen's  
18 relief and pension funds, including the portion of the actuarial cost for  
19 policemen's pension and relief funds and firemen's relief and pension funds  
20 that are administered by the Arkansas Local Police and Fire Retirement  
21 System.

22  
23 SECTION 6. Arkansas Code § 24-11-217(d) and (e), concerning additional  
24 allocations for certain underfunded plans, are amended to read as follows:

25 (d) ~~For the allocations in fiscal years 2012 through 2015, the amount~~  
26 ~~of the additional allocation to a policemen's pension and relief fund or a~~  
27 ~~firemen's relief and pension fund shall not be less than would have been~~  
28 ~~provided by the Arkansas Fire and Police Pension Guarantee Fund under § 24-~~  
29 ~~11-209 [repealed] An amount that is not distributed due to a policemen's~~  
30 pension and relief fund or firemen's relief and pension fund not meeting the  
31 requirements of subsection (c) of this section shall be retained and used to  
32 supplement the amounts needed for future years when the reductions under  
33 subsection (e) of this section apply.

34 (e) The amounts provided under this ~~additional~~ allocation are subject  
35 to the limits under § 24-11-215.

36

