

1 State of Arkansas
2 82nd General Assembly
3 Regular Session, 1999
4

A Bill

HOUSE BILL 1324

5 By: Representative Fari s
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For An Act To Be Entitled

8 "AN ACT TO AMEND ARKANSAS CODE 24-8-401(b)(2) TO
9 PRESCRIBE THE AUTHORITY OF CITIES AND COUNTIES WITH
10 CITY OR COUNTY MUNICIPAL JUDGES' AND CLERKS' PENSION
11 PLANS WITH ASSETS IN EXCESS OF \$100,000 IN COUNTIES
12 HAVING A POPULATION OF AT LEAST ONE HUNDRED FIFTY
13 THOUSAND (150,000) PERSONS TO EMPLOY AN INVESTMENT
14 ADVISOR TO INVEST PLAN ASSETS PURSUANT TO CITY OR
15 COUNTY INVESTMENT POLICY; TO REQUIRE THE CITY OR
16 COUNTY TO FOLLOW THE SAME STANDARD OF CARE FOLLOWED BY
17 STATE RETIREMENT SYSTEMS IN THEIR INVESTMENTS IN
18 ARKANSAS CODE 24-3-417 THROUGH 24-3-426; AND FOR OTHER
19 PURPOSES. "
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Subtitle

21 "TO PRESCRIBE THE AUTHORITY OF CITIES AND
22 COUNTIES WITH CITY OR COUNTY MUNICIPAL
23 JUDGES' AND CLERKS' PENSION PLANS WITH
24 ASSETS IN EXCESS OF \$100,000 IN COUNTIES
25 HAVING A POPULATION OF AT LEAST 150,000
26 PERSONS TO EMPLOY AN INVESTMENT ADVISOR. "
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29 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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31 SECTION 1. Arkansas Code 24-8-401(b)(2) is amended to read as follows:

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

36 (B) A city or county having a municipal judges' and clerks' pension plan

1 with assets in excess of one hundred thousand dollars (\$100,000) shall,
 2 subject to subdivision (C), have full power to invest and reinvest the moneys
 3 of the plan and to hold, purchase, sell, assign, transfer, or dispose of any
 4 of the investments so made as well as the proceeds of the investments and
 5 moneys. Such authority shall be implemented by the mayor and city treasurer,
 6 or the county judge and county treasurer, respectively.

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

9 (D) A city or county 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 investment policy, subject to the
 13 terms, conditions, limitations, and restrictions imposed by law upon
 14 investments of state retirement systems, as set forth in Arkansas Code § 24-3-
 15 417 - §24-3-426.

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

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

22 (G) By accepting the delegation of a trust function from a city or
 23 county, an agent submits to the jurisdiction of the courts of this state."

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

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

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