

State of Arkansas

As Engrossed: H2/25/99 H3/12/99

82nd General Assembly

A Bill

Regular Session, 1999

SENATE BILL 370

By: Senator Hopkins

For An Act To Be Entitled

"AN ACT TO AMEND ARKANSAS CODE 24-7-1303 CONCERNING
CONTRIBUTIONS TO ARKANSAS TEACHER RETIREMENT SYSTEM;
TO DECLARE AN EMERGENCY; AND FOR OTHER PURPOSES."

Subtitle

"TO AMEND ARKANSAS CODE 24-7-1303
CONCERNING CONTRIBUTIONS TO ARKANSAS
TEACHER RETIREMENT SYSTEM."

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

SECTION 1. Arkansas Code Section 24-7-1303 is amended to read as
follows:

"24-7-1303. Contributions to Arkansas Teacher Retirement System.

(a) When a member begins participation in the teacher deferred
retirement option plan, both member and employer contributions to the Arkansas
Teacher Retirement System on behalf of the member shall cease.

(b) It is the intent of the General Assembly that the employer
contribution to the Arkansas Teacher Retirement System that has ceased for a
participant in the teacher deferred retirement option plan will become a part
of the general operating fund of the school district to be used for any
purpose including employee salaries. The school district shall not make
contributions to any tax qualified retirement plan on behalf of any employee
participating in the deferred retirement option plan. However, this
prohibition shall not be applicable to the extent necessary to comply with
contractual obligations incurred by a school district prior to February 1,
1999.

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

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6 SECTION 3. If any provision of this act or the application thereof to
7 any person or circumstance is held invalid, such invalidity shall not affect
8 other provisions or applications of the act which can be given effect without
9 the invalid provision or application, and to this end the provisions of this
10 act are declared to be severable.

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12 SECTION 4. All laws and parts of laws in conflict with this act are
13 hereby repealed.

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15 SECTION 5. Emergency. It is found and determined by the Eighty-second
16 General Assembly of the State of Arkansas that the deferred retirement option
17 (DROP) for the Teacher Retirement System requires no employer contributions by
18 the school districts, that some school districts are unnecessarily expending
19 funds for employees on the DROP, that this threatens the general level of
20 education of all students, especially in small school districts where every
21 dollar is needed, and that this law will immediately correct this situation so
22 school districts will retain all necessary funds for expenditure for the
23 general benefit of the students and not make unnecessary expenditures to
24 benefit certain select employees. Therefore an emergency is declared to exist
25 and this act being immediately necessary for the preservation of the public
26 peace, health and safety shall become effective on the date of its approval by
27 the Governor. If the bill is neither approved nor vetoed by the Governor, it
28 shall become effective on the expiration of the period of time during which
29 the Governor may veto the bill. If the bill is vetoed by the Governor and the
30 veto is overridden, it shall become effective on the date the last house
31 overrides the veto.

32 /s/ Hopkins
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