

1 State of Arkansas

2 83rd General Assembly

3 Regular Session, 2001

A Bill

HOUSE BILL 1318

4
5 By: Representative Minton

For An Act To Be Entitled

9 AN ACT TO AMEND ARKANSAS CODE TITLE 24, CHAPTER 2 TO
10 ADD A SUBCHAPTER 6 AND TO AMEND VARIOUS SECTIONS OF
11 CHAPTERS 4, 5, 6, 7, AND 8 TO ESTABLISH THE ARKANSAS
12 CONSOLIDATED PUBLIC RETIREMENT COMMISSION AND A
13 CONSOLIDATED ADMINISTRATIVE AGENCY; TO ABOLISH THE
14 VARIOUS BOARDS OF TRUSTEES OF THE VARIOUS PUBLIC
15 RETIREMENT SYSTEMS AND TRANSFER THEIR POWERS TO THE
16 CONSOLIDATED COMMISSION; AND FOR OTHER PURPOSES.

Subtitle

18
19 TO CREATE THE ARKANSAS CONSOLIDATED
20 PUBLIC RETIREMENT COMMISSION AND TO
21 ABOLISH THE VARIOUS BOARDS OF TRUSTEES
22 OF THE VARIOUS PUBLIC RETIREMENT
23 SYSTEMS.

24
25
26 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

27
28 SECTION 1. Arkansas Code Title 24, Chapter 2, is amended to add an
29 additional subchapter to read as follows:

SUBCHAPTER 6 - CONSOLIDATION OF RETIREMENT SYSTEMS

31 24-2-601. Arkansas Consolidated Public Retirement Commission created.

32 (a) There is created the Arkansas Consolidated Public Retirement
33 Commission.

34 (b) The commission shall consist of nine (9) members from the public to
35 be appointed by the Governor, subject to confirmation by the Senate.

36 (c) The commission shall be bipartisan, with five (5) members being

members of the same political party as the Governor, and the remaining members shall be representatives of at least one other political party in the state.

(d) The commission shall include at least one (1) representative from each of the four (4) congressional districts.

(e)(1) Members of the commission shall be appointed for three (3) year terms.

(2) The initial terms for members shall be staggered annually and shall be determined by lot.

(3) The terms shall commence on March 15 of each year.

(f) In the event of a vacancy for any reason other than expiration of a regular term, the vacancy shall be filled for the unexpired portion of the term by appointment of the Governor.

(g) The members of the commission may be removed by the Governor for neglect of duty or malfeasance in office.

(h) Members of the commission shall not be entitled to compensation for their services, but may receive expense reimbursement in accordance with Arkansas Code 25-16-902.

24-2-602. Organization and meetings of the commission.

(a) The Governor shall designate a person on the commission to call and preside at the first meeting. The commission shall meet within thirty (30) days after its appointment to organize as necessary to carry out its purposes as prescribed by this subchapter.

(b)(1) At the initial organizational meeting of the commission, the members shall elect from among their number a chairperson and vice-chairperson.

(2) Annually thereafter, an organizational meeting shall be held to elect the chairperson and vice-chairperson.

(3) A majority of the members of the commission shall constitute a quorum for the transaction of business and to perform such duties as the commission may prescribe.

(c) The commission shall hold meetings at least quarterly and special meetings may be called by the chair or as provided by the rules of the commission.

(d) The commission shall keep full and true records of the commission's proceedings and preserve all books, documents, and papers relating to the

1 business of the commission.

2 (e) The commission shall report in writing to the Governor and the
3 Arkansas Legislative Council by July 31 of each year. The report shall
4 contain a summary of the proceedings of the commission during the preceding
5 fiscal year, a detailed and itemized statement of all revenue and of all
6 expenditures made by or in behalf of the commission, other information deemed
7 necessary or useful, and any additional information which may be requested by
8 the Governor or the Arkansas Legislative Council.

9
10 24-2-603. Executive director and other professional and clerical
11 employees.

12 (a) The Commission shall appoint the executive director to administer
13 the consolidated administration of the various retirement systems under its
14 management, and the director shall serve as chief executive officer of the
15 consolidated administrative agency for the various retirement systems. The
16 director shall perform, or cause to be performed, the duties as are required
17 by law and as the commission shall delegate.

18 (b) The commission shall appoint an actuary or a firm of actuaries to
19 be the technical advisor to the commission on matters regarding the operation
20 of the various systems on an actuarial basis. The actuary shall perform those
21 duties as are required by contract and as are required from time to time by
22 the commission.

23 (c)(1) The commission shall appoint a professional investment counsel
24 to be investment advisor.

25 (2) Investments shall not be made until the advice of the
26 investment advisor has been received.

27 (d) The commission shall appoint a medical committee consisting of
28 three (3) physicians to assist the commission in making determinations of
29 disabilities or other medical conditions.

30 (e) The executive director shall have the authority to employ other
31 persons to perform professional and clerical services and to purchase
32 equipment and supplies as are required for the proper operation of the
33 consolidated administration, subject to the approval of the commission.

34 (f)(1) The compensation of the persons engaged by the director shall be
35 consistent with the pay plan of the state.

36 (2) These and all other expenses necessary for the operation and

administration of the consolidated administration of the various retirement systems shall be paid at a rate and in an amount as are proportional to the assets attributable to the various systems as the commission shall approve.

24-2-604. Various boards of trustees abolished and administration transferred.

(a) The following boards of trustees of the following retirement systems are abolished and their powers, duties, records, personnel, property, unexpended balances or appropriations, allocation, or other funds shall be transferred to the Arkansas Consolidated Public Retirement Commission:

- (1) The Arkansas Public Employees' Retirement System;
- (2) The Arkansas State Highway Employees' Retirement System;
- (3) The State Police Retirement System;
- (4) The Arkansas Teacher Retirement System; and
- (5) The Arkansas Judicial Retirement System.

(b) Further, the powers, duties, functions, and authority for the various agencies to administer the various retirement systems enumerated in subsection (a) of this section shall be transferred by a type 2 transfer, as defined in § 25-2-105, to the agency responsible for the consolidated administration of the various retirement systems created under this subchapter and under authority of the Arkansas Consolidated Public Retirement Commission.

24-2-605. Implementation.

(a) Beginning January 1, 2002, the members of the Arkansas Consolidated Public Retirement Commission shall be appointed to prepare for the implementation of § 24-2-601 through 24-2-604 and to prepare for the transfer of the management of the various retirement systems as provided for in § 24-2-604(a).

(b) Beginning July 1, 2002, the abolishment of the boards of trustees of the various retirement systems under § 24-2-604(a) shall be effective and the functions of those boards shall be transferred to the commission.

(c) Beginning January 1, 2003, the commission shall appoint an executive director and other employees for the consolidated administration of the various retirement systems in preparation of the transfer under § 24-2-604(b).

(d) Beginning July 1, 2003, the abolishment and transfer of the duties

1 and functions of the agencies administering the various retirement systems
2 under § 24-2-604(b) shall be effective.

3
4 SECTION 2. Arkansas Code 24-4-104, concerning the Board of Trustees for
5 the Arkansas Public Employees' Retirement System, is amended to add an
6 additional subsection to read as follows:

7 (e)(1) Beginning July 1, 2002, all powers, duties, functions, records,
8 and funds administered by the board shall be transferred by a type 3 transfer,
9 as defined in § 25-2-106, to the Arkansas Consolidated Public Retirement
10 Commission created by § 24-2-601.

11 (2) Further, beginning July 1, 2003 the powers, duties,
12 functions, and authority for the executive director to administer the system
13 under this section shall be transferred by a type 2 transfer, as defined in §
14 25-2-105, to the agency responsible for the consolidated administration of the
15 various retirement systems under authority of the Arkansas Consolidated Public
16 Retirement Commission created by § 24-2-601.

17
18 SECTION 3. Arkansas Code 24-5-104, concerning the Board of Trustees for
19 the Arkansas State Highway Employees' Retirement System, is amended to add an
20 additional subsection to read as follows:

21 (f)(1) Beginning July 1, 2002, all powers, duties, functions, records,
22 and funds administered by the board shall be transferred by a type 3 transfer,
23 as defined in § 25-2-106, to the Arkansas Consolidated Public Retirement
24 Commission created by § 24-2-601.

25 (2) Further, beginning July 1, 2003 the powers, duties,
26 functions, and authority for the executive secretary to administer the system
27 under this section shall be transferred by a type 2 transfer, as defined in §
28 25-2-105, to the agency responsible for the consolidated administration of the
29 various retirement systems under authority of the Arkansas Consolidated Public
30 Retirement Commission created by § 24-2-601.

31
32 SECTION 4. Arkansas Code 24-6-204, concerning the Board of Trustees for
33 the State Police Retirement System, is amended to add an additional subsection
34 to read as follows:

35 (i)(1) Beginning July 1, 2002, all powers, duties, functions, records,
36 and funds administered by the board shall be transferred by a type 3 transfer,

1 as defined in § 25-2-106, to the Arkansas Consolidated Public Retirement
2 Commission created by § 24-2-601.

3 (2) Further, beginning July 1, 2003 the powers, duties,
4 functions, and authority for the executive director of the Arkansas Public
5 Employees' Retirement System to administer the State Police Retirement System
6 shall be transferred by a type 2 transfer, as defined in § 25-2-105, to the
7 agency responsible for the consolidated administration of the various
8 retirement systems under authority of the Arkansas Consolidated Public
9 Retirement Commission created by § 24-2-601.

10
11 SECTION 5. Arkansas Code 24-7-303, concerning the duties and
12 responsibilities of the executive director of the Arkansas Teacher Retirement
13 System, is amended to add an additional subsection to read as follows:

14 (i) Beginning July 1, 2003, all powers, duties, functions, and
15 authority for the executive director to administer the system shall be
16 transferred by a type 2 transfer, as defined in § 25-2-105, to the agency
17 responsible for the consolidated administration of the various retirement
18 systems under authority of the Arkansas Consolidated Public Retirement
19 Commission created by § 24-2-601.

20
21 SECTION 6. Arkansas Code 24-7-305, concerning the duties and
22 responsibilities of the Board of Trustees for the Arkansas Teacher Retirement
23 System, is amended to add an additional subsection to read as follows:

24 (i) Beginning July 1, 2002, all powers, duties, functions, records, and
25 funds administered by the board shall be transferred by a type 3 transfer, as
26 defined in § 25-2-106, to the Arkansas Consolidated Public Retirement
27 Commission created by § 24-2-601.

28
29 SECTION 7. Arkansas Code 24-8-203, concerning the Board of Trustees of
30 the Arkansas Judicial Retirement System, is amended to add an additional
31 subsection to read as follows:

32 (e) Beginning July 1, 2002, all powers, duties, functions, records, and
33 funds administered by the board shall be transferred by a type 3 transfer, as
34 defined in § 25-2-106, to the Arkansas Consolidated Public Retirement
35 Commission created by § 24-2-601.

1 SECTION 8. Arkansas Code 24-8-204, concerning the duties and
2 responsibilities of the executive director of the Arkansas Public Employees'
3 Retirement system to administer the Arkansas Judicial Retirement System, is
4 amended to add an additional subsection to read as follows:

5 (d) Beginning July 1, 2003, all powers, duties, functions, and
6 authority for the executive director of the Arkansas Public Employees'
7 Retirement System to administer the Arkansas Judicial Retirement System shall
8 be transferred by a type 2 transfer, as defined in § 25-2-105, to the agency
9 responsible for the consolidated administration of the various retirement
10 systems under authority of the Arkansas Consolidated Public Retirement
11 Commission created by § 24-2-601.