

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.

1 State of Arkansas
2 83rd General Assembly
3 Regular Session, 2001
4

As Engrossed: S4/2/01

A Bill

HOUSE BILL 1319

5 By: Representative R. Smith
6
7

For An Act To Be Entitled

9 AN ACT TO AMEND VARIOUS SECTIONS OF ARKANSAS CODE
10 TITLE 24, CHAPTER 11, CONCERNING POLICE AND FIRE
11 PENSION AND RELIEF FUNDS, TO MAKE TECHNICAL AND
12 ADMINISTRATIVE CORRECTIONS THAT AFFECT THE
13 DISTRIBUTION OF INSURANCE PREMIUM TAXES USED TO
14 FUND LOCAL POLICE AND FIRE PENSION AND RELIEF
15 FUNDS; AND FOR OTHER PURPOSES.

Subtitle

16
17 TO MAKE TECHNICAL AND ADMINISTRATIVE
18 CORRECTIONS THAT AFFECT THE DISTRIBUTION
19 OF INSURANCE PREMIUM TAXES USED FOR
20 LOCAL POLICE AND FIRE PENSION FUNDS.
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24 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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26 SECTION 1. Arkansas Code 24-11-202 is amended to read as follows:

27 24-11-202. Noncompliance with subchapter.

28 (a) If it is determined that a plan is not complying with the
29 provisions of this subchapter, the Executive Director of the Arkansas Fire and
30 Police Pension Review Board shall certify the noncompliance to the ~~Insurance~~
31 ~~Commissioner~~ Director of the Department of Finance and Administration, who
32 shall withhold all moneys otherwise due the plan from the state until
33 compliance is achieved.

34 (b) All actions taken by the executive director shall be subject to
35 review and acceptance by the Arkansas Fire and Police Pension Review Board.
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1 SECTION 2. Arkansas Code 24-11-302(b), concerning the qualifications
2 for cities and towns to participate in the insurance premium tax distributions
3 for pension funds, is amended to read as follows:

4 (b) The allocation of funds to each qualified city or town pursuant to
5 § 24-11-301 shall be subject to the following conditions:

6 (1) Each calendar year the Arkansas Fire and Police Pension
7 Review Board shall review its previous calendar year distribution of funds to
8 each qualified city or town prior to disbursement to each of these qualified
9 areas. This review shall comply with subdivisions (d)(4) and (5) of this
10 section; ~~and~~

11 (2) The certification of any new city or town to participate in
12 the Firemen's and Police Officers' Pension and Relief Fund shall be considered
13 in the board's assessment each calendar year of the allocation of the
14 disbursement of the funds pursuant to subdivisions (d)(4) and (5) of this
15 section; and

16 (3) Any change in the legal description of any city or town will
17 be considered in the board's assessment each calendar year. Any changes shall
18 be reported to the board by December 15 of each calendar year. The associated
19 population change caused by a change in legal description shall also be
20 considered.

21
22 SECTION 3. Arkansas Code 24-11-302(c)(2)(A), concerning the
23 qualifications for cities and towns to participate in the insurance premium
24 tax distributions for pension funds, is amended to read as follows:

25 (2)(A) The mayor or other qualified representative of each city
26 or town shall certify to the board the accuracy of the metes and bounds legal
27 description of the area ~~and the population information.~~

28
29 SECTION 4. Arkansas Code 24-11-302(j), concerning the qualifications
30 for cities and towns to participate in the insurance premium tax distributions
31 for pension funds, is amended to read as follows:

32 (j)(1) All taxes that are levied on insurers ~~but are not allocated to~~
33 ~~cities or towns qualified to participate in the distribution of the taxes that~~
34 are allocated to general revenues under this section shall first be allocated
35 to the Arkansas Fire and Police Pension Guarantee Fund and next to the
36 Policemen's Pension Supplement Program Fund as provided for in subdivision

1 ~~(j)(3)~~ (j)(4) of this section and then to general revenues.

2 (2) Funds shall be distributed by the Chief Fiscal Officer of the
3 State upon the recommendation of the Arkansas Fire and Police Pension Review
4 Board in an amount necessary to fund the priority categories defined by § 24-
5 11-209(e)(3)(A) - (D).

6 ~~(2)(3)~~ Funds ~~shall~~ may be distributed by the Chief Fiscal Officer
7 of the State upon the recommendation of the Arkansas Fire and Police Pension
8 Review Board for plans in the priority category defined by § 24-11-
9 209(e)(3)(E).

10 ~~(3)(4)~~ After transfers are made to cover funds distributed under
11 subdivision (j)(2) of this section and the portion of those premium taxes set
12 aside for transfer to the State Police Retirement Fund under § 24-6-209(b),
13 the Director of the Department of Finance and Administration is directed to
14 make ~~monthly~~ annual transfers to the Policemen's Pension Supplement Program
15 Fund on or before July 25, 1999, and each ~~month~~ year thereafter of a portion
16 of those ~~unallocated~~ insurance premium taxes enumerated in § 24-11-301(a) as
17 certified by the Arkansas Fire and Police Pension Review Board on July 1 each
18 year as the amount needed to pay the expenses of and to make payments to the
19 eligible retired police officers and survivors under the Policemen's Pension
20 Supplement Program for the coming year of the program.

21
22 SECTION 5. Arkansas Code 24-11-809(c)(3)(A), concerning the
23 apportionment of insurance premium taxes, is amended to read as follows:

24 (3)(A) All taxes that are levied on insurers, ~~but are not~~
25 ~~allocated to cities, towns, and fire protection districts qualified to~~
26 ~~participate in the distribution of the taxes,~~ that are allocated to general
27 revenues under this section may be allocated to the Arkansas Fire and Police
28 Pension Guarantee Fund and then to general revenues.

29
30 SECTION 6. Arkansas Code 24-11-810(a)(2)(D), concerning the
31 apportionment of the insurance premium taxes for pension funds, is amended to
32 read as follows:

33 (D) The allocation of funds to each qualified city, town,
34 or fire protection district pursuant to subdivisions (a)(3)-(5) of this
35 section shall be subject to the following conditions:

36 (i) Each calendar year the Arkansas Fire and Police

1 Pension Review Board shall review its previous calendar year distribution of
 2 funds to each qualified city, town, or fire protection district prior to
 3 disbursement to each of these qualified areas. This review shall comply with
 4 subdivision (b)(5) of this section; ~~and~~

5 (ii) The certification of any new city, town, or fire
 6 protection district to participate in the Firemen's and Police Officers'
 7 Relief and Pension Fund shall be considered in the Arkansas Fire and Police
 8 Pension Review Board's assessment each calendar year of the allocation of the
 9 disbursement of the funds pursuant to subdivision (b)(5) of this section; ~~and~~

10 (iii) Any change in the legal description of any
 11 city, town, or fire protection district will be considered in the board's
 12 assessment each year. Any changes shall be reported to the board by December
 13 15 of each calendar year. The associated population change caused by the
 14 change in legal description shall also be considered.

15
 16 SECTION 7. Arkansas Code 24-11-810(a)(4)(A) concerning the
 17 apportionment of the insurance premium taxes for pension funds, is amended to
 18 read as follows:

19 (4)(A) The mayor or other qualified representative of each city
 20 or town, or county fire coordinator of each city, town, or for a rural fire
 21 protection district shall certify to the Arkansas Fire and Police Pension
 22 Review Board the accuracy of the metes and bounds legal description of the
 23 area and the population information.

24
 25 SECTION 8. Arkansas Code 24-11-810(g), concerning the apportionment of
 26 the insurance premium taxes for pension funds, is amended to read as follows:

27 (g) The Arkansas Fire and Police Pension Review Board shall establish a
 28 certain percentage of the insurance tax revenues to use to meet its proper
 29 actuarial expenses and administrative costs incurred in obtaining and
 30 evaluating the square mileage and population information required in
 31 subsections (a) and (b) of this section, but in no event shall the board be
 32 entitled to more than one percent (1%) of the ~~insurance tax revenues~~ Firemen's
 33 and Police Officers' Pension and Relief Fund as defined in § 24-11-809(a)(2).

34 This assessment shall be collected in addition to the assessment provided in §
 35 24-11-203(k)(5). This revenue shall also be used to provide the
 36 administrative costs incurred in obtaining and evaluating the square mileage

1 and population information for unqualified cities, towns, and fire protection
2 districts.

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4 SECTION 9. [THE ARKANSAS CODE REVISION COMMISSION IS NOT REQUIRED TO
5 CODIFY THIS SECTION.] No benefit enhancement provided for by this act shall
6 be implemented if it would cause the publicly supported retirement system's
7 unfunded actuarial accrued liabilities to exceed a thirty (30) year
8 amortization. No benefit enhancement provided for by this act shall be
9 implemented by any publicly supported system which has unfunded actuarial
10 accrued liabilities being amortized over a period exceeding thirty (30) years
11 until the unfunded actuarial accrued liability is reduced to a level less than
12 the standards prescribed by Arkansas Code, Title 24.

13
14 SECTION 10. EMERGENCY CLAUSE. It is found and determined by the
15 General Assembly of the State of Arkansas that the provisions of this act must
16 be implemented before the funds described herein are next disbursed in order
17 to insure the fiscal well-being of the beneficiaries of the Police and Fire
18 Pension and Relief Funds. Therefore, an emergency is declared to exist and
19 this act being immediately necessary for the preservation of the public peace,
20 health and safety shall become effective on the date of its approval by the
21 Governor. If the bill is neither approved nor vetoed by the Governor, it
22 shall become effective on the expiration of the period of time during which
23 the Governor may veto the bill. If the bill is vetoed by the Governor and the
24 veto is overridden, it shall become effective on the date the last house
25 overrides the veto.

26 /s/ R. Smith
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