

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 84th General Assembly
3 Regular Session, 2003
4

A Bill

HOUSE BILL 1244

5 By: Representative R. Smith
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7

For An Act To Be Entitled

9 AN ACT TO AMEND THE ALLOCATION OF TURNBACK FUNDS
10 TO THE POLICE AND FIRE PENSION AND RELIEF FUNDS
11 AND THE ARKANSAS LOCAL POLIE AND FIRE RETIREMENT
12 SYSTEM; TO REARRANGE AND CLARIFY EXISITNG
13 RELATING TO ALOCATION OF PREMIUM TAX FUNDS; AND
14 FOR OTHER PURPOSES.

Subtitle

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16 TO AMEND THE ALLOCATION OF TURNBACK
17 FUNDS TO THE POLICE AND FIRE PENSION AND
18 RELIEF FUNDS AND THE ARKANSAS LOCAL
19 POLIE AND FIRE RETIREMENT SYSTEM.
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23 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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25 SECTION 1. Arkansas Code Title 24, Chapter 11, Subchapter 2 is amended
26 to add an additional section to read as follows:

27 24-11-213. Allocation of insurance premium tax - Apportionment.

28 (a)(1)(A) The premium taxes collected under § 24-11-301 shall be
29 placed in a fund combined with the premium taxes collected pursuant to § 24-
30 11-809.

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

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

35 (2) The remaining revenues collected under §§ 23-60-102, 24-11-
36 301, 24-11-809, 26-57-601 – 26-57-605, and 26-57-607 shall be distributed to



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1 the Firemen's and Police Officers' Pension and Relief Fund and to the State
2 of Arkansas as general revenues.

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

5 (b) The revenues shall be distributed in a manner that the Firemen's
6 and Police Officers' Pension and Relief Fund and the general revenue fund
7 will each receive distributions of no less than they received in fiscal year
8 1999, except that:

9 (1) If the revenues to be distributed in a subsequent year are
10 less than the revenues distributed in 1999, then the distributions to each
11 shall be reduced proportionately; and

12 (2) If additional fire departments become eligible for
13 distributions from the Firemen's and Police Officers' Pension and Relief
14 Fund, the base amount for the state shall be reduced in proportion to the
15 population in the area served by the fire department to the portion of the
16 population of the state not covered by a fire department receiving a
17 distribution from the fund; and

18 (3) If additional police departments become eligible for
19 distributions from the Firemen's and Police Officers' Pension and Relief
20 Fund, the base amount for the state shall be reduced in proportion to the
21 population in the area served by the police department to the portion of the
22 population of the state not covered by a police department receiving a
23 distribution from the fund.

24 (c)(1) Except as provided under subsection (b) of this section, the
25 portion distributed to the Firemen's and Police Officers' Relief and Pension
26 Fund shall be based on the ratio percentage of the total population of the
27 cities, towns, or fire protection districts qualified to participate in the
28 fund in comparison to the total population of the State of Arkansas.

29 (B) The remaining percentage shall be distributed to the State
30 of Arkansas' General Revenue Fund.

31 (d) The allocation of funds between the Firemen's and Police Officers'
32 Pension and Relief Fund and the State of Arkansas General Revenue Fund under
33 this section shall be subject to the following conditions:

34 (1) Each calendar year the Arkansas Fire and Police Pension
35 Review Board shall review its previous calendar year distribution of funds to
36 each qualified city, town, or fire protection district prior to disbursement

1 to each of these qualified areas in compliance with § 24-11-214(g);

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

6 (3)(A) Any change in the legal description of any city, town, or
7 fire protection district will be considered in the board’s assessment each
8 year.

9 (B) Any changes shall be reported to the board by December
10 15 of each calendar year.

11 (C) The associated population change caused by the change
12 in legal description shall also be considered.

13 (4) The total population of the cities, towns, or fire
14 protection districts qualified to participate in the fund will be determined
15 by a census population assessment in the city, town, or fire protection
16 district.

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

20 (B) If the legal description cannot be based on standard
21 physical features, a Global Positioning System survey shall be conducted to
22 determine the boundaries.

23 (6)(A) The preferred description of the area will be based on
24 standard physical features.

25 (B) Each local department shall change the department’s
26 description of metes and bounds to the standard physical features’
27 description.

28 (C) In the case of a fire department, if the local chief
29 cannot agree on a standard physical features’ description, the county quorum
30 court will make the decision.

31 (7) The mayor or other qualified representative of each city or
32 town or county fire coordinator for a rural fire protection district shall
33 certify to the board the accuracy of the metes and bounds legal description
34 of the area.

35 (8) The metes and bounds legal description shall be determined
36 by a surveyor licensed in the State of Arkansas, a preexisting map held by

1 the city, town, or fire protection district, or by the Institute for Economic
2 Advancement at the College of Business Administration at the University of
3 Arkansas at Little Rock's Geographic Information Systems Lab.

4 (9) The population of the area shall be determined by the Census
5 State Data Center at the Institute for Economic Advancement at the College of
6 Business Administration at the University of Arkansas at Little Rock's
7 Geographic Information Systems Lab.

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

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12 SECTION 2. EMERGENCY CLAUSE. It is found and determined by the
13 General Assembly of the State of Arkansas that premium tax distribution
14 formula is directing state revenues to areas without the need for priority
15 fire and police protection; that police and fire protection services are of
16 extreme importance in the protection of property values and individual lives;
17 that the distribution of premium tax revenues to the areas of the highest need
18 is a top priority; that implementation of a revised distribution formula must
19 be implemented at a precise time and before the normal time for the
20 effectiveness of other laws, and that they need to be effective at the
21 beginning of the fiscal year for state government. Therefore, an emergency
22 is declared to exist and this act being necessary for the preservation of the
23 public peace, health and safety shall become effective on July 1, 2003.

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