

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 85th General Assembly
3 Regular Session, 2005
4

As Enrolled: S2/9/05 S2/17/05 S3/22/05

A Bill

SENATE BILL 154

5 By: Senator Faris
6
7

For An Act To Be Entitled

9 AN ACT TO ENSURE PARITY BETWEEN THE LOCAL POLICE
10 AND FIRE PENSION AND RELIEF FUNDS; TO ESTABLISH
11 RULES FOR LOCAL POLICE AND FIRE PENSION AND
12 RELIEF FUNDS; AND TO ESTABLISH ETHICS AND FISCAL
13 ACCOUNTABILITY OF LOCAL BOARD PLAN MEMBERS; AND
14 FOR OTHER PURPOSES.

Subtitle

15
16 AN ACT TO ENSURE PARITY AND ESTABLISH
17 RULES FOR THE LOCAL POLICE AND FIRE
18 PENSION AND RELIEF FUNDS; AND TO
19 ESTABLISH ETHICS AND FISCAL
20 ACCOUNTABILITY OF LOCAL BOARD PLAN
21 MEMBERS.
22

23
24
25 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
26

27 *SECTION 1. Arkansas Code § 24-11-410(c), pertaining to investments, is*
28 *amended as follows:*

29 *(c)(1) In those pension and relief funds in which assets exceed ~~five~~*
30 *~~hundred thousand dollars (\$500,000)~~ one hundred thousand dollars (\$100,000),*
31 *the board of trustees may employ an investment advisor as defined in § 24-10-*
32 *402(a)(2)(A)(ii) to invest the assets, subject to the terms, conditions,*
33 *limitations, and restrictions imposed by law upon the Arkansas Local Police*
34 *and Fire Retirement System, as provided by §§ 24-10-401 - 24-10-411.*

35 *(2) Investments shall not be limited to interest-bearing bonds.*

36 *(3) The total amount of fees paid for investment advisors,*



1 investment advisory services, investment educational services, trustee
2 services, custodial and administrative services, and investment management
3 services where the managers are required to perform security trades on a best
4 execution basis shall be:

5 (A) Limited to no more than three percent (3%) annually of
6 the first five hundred thousand dollars (\$500,000) of plan assets, plus no
7 more than two percent (2%) annually of the next five hundred thousand dollars
8 (\$500,000) of plan assets, plus no more than one percent (1%) annually of
9 plan assets over one million dollars (\$1,000,000); and

10 (B) Clearly stated, in total, on all monthly, quarterly,
11 and annual statements prepared for the board of trustees of the pension and
12 relief funds.

13
14 SECTION 2. Arkansas Code § 24-11-805(d), pertaining to investments, is
15 amended as follows:

16 (d)(1) However, in those pension and relief funds in which assets
17 exceed one hundred thousand dollars (\$100,000), the board of trustees may
18 employ an investment advisor as defined in § 24-10-402(a) to invest the
19 assets, subject to the terms, conditions, limitations, and restrictions
20 imposed by law upon the system, as provided by § 24-10-401 et seq.

21 (2) Investments shall not be limited to interest-bearing bonds,
22 certificates of deposit, and time deposits.

23 (3) The total amount of fees paid for investment advisors,
24 investment advisory services, investment educational services, trustee
25 services, custodial and administrative services, and investment management
26 services where the managers are required to perform security trades on a best
27 execution basis shall be:

28 (A) Limited to no more than three percent (3%) annually of
29 the first five hundred thousand dollars (\$500,000) of plan assets, plus no
30 more than two percent (2%) annually of the next five hundred thousand dollars
31 (\$500,000) of plan assets, plus no more than one percent (1%) annually of
32 plan assets over one million dollars (\$1,000,000); and

33 (B) Clearly stated, in total, on all monthly, quarterly,
34 and annual statements prepared for the board of trustees of the pension and
35 relief funds.

36

1 SECTION 3. Arkansas Code § 24-11-405, pertaining to the board of
2 trustees, is amended to add a new subsection as follows:

3 (e)(1) Each board member who receives gifts or other compensation,
4 including, but not limited to, trips and meals, from current or potential
5 investment advisors or managers of the policemen's pension and relief fund
6 shall prepare an annual statement listing each item received, the estimated
7 value of each item, and from whom each item was received.

8 (2)(A) Each board member shall attest by written affidavit that
9 the member's annual statement is true and current to the best of his or her
10 knowledge.

11 (B)(i) Annual statements and affidavits from each board
12 member shall be collected by the board or municipal treasurer.

13 (ii) One (1) copy of the statement and affidavit
14 shall be filed with the Secretary of State.

15 (iii) A second copy of each statement and affidavit
16 shall be retained on file by the board or municipal treasurer and shall be
17 available for review by any plan participant.

18 (C)(i) As part of the annual report to the Arkansas Fire
19 and Police Pension Review Board, the chair of each board of trustees for each
20 plan shall certify that the statements and affidavits as described in
21 subsection (e) of this section have been completed and appropriately filed.

22 (ii) Each plan's annual report shall not be
23 considered complete without this certification.

24
25 SECTION 4. Arkansas Code § 24-11-801, pertaining to the board of
26 trustees and members, is amended to add a new subsection as follows:

27 (j)(1) Each board member who receives gifts or other compensation,
28 including, but not limited to, trips and meals, from current or potential
29 investment advisors or managers of the firemen's pension and relief fund
30 shall prepare an annual statement listing each item received, the estimated
31 value of each item, and from whom each item was received.

32 (2)(A) Each board member shall attest by written affidavit that
33 the member's annual statement is true and current to the best of his or her
34 knowledge.

35 (B)(i) Annual statements and affidavits from each board
36 member shall be collected by the board or municipal treasurer.

1 (ii) One (1) copy of the statement and affidavit
2 shall be filed with the Secretary of State.

3 (iii) A second copy of each statement and affidavit
4 shall be retained on file by the board or municipal treasurer and shall be
5 available for review by any plan participant.

6 (C)(i) As part of the annual report to the Arkansas Fire
7 and Police Pension Review Board, the chair of the board of trustees for each
8 plan shall certify that the statements and affidavits as described in
9 subsection (j) of this section have been completed and appropriately filed.

10 (ii) Each plan's annual report shall not be
11 considered complete without this certification.

12
13 /s/ Faris
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36