

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 86th General Assembly
3 Regular Session, 2007
4

As Engrossed: H3/5/07 H3/16/07

A Bill

HOUSE BILL 1097

5 By: Representative Harris
6
7

For An Act To Be Entitled

9 AN ACT TO AMEND DEFINITIONS CONCERNING CERTAIN
10 RETIREMENT FUNDING ALLOCATIONS; AND FOR OTHER
11 PURPOSES.
12

Subtitle

14 TO AMEND DEFINITIONS CONCERNING CERTAIN
15 RETIREMENT FUNDING ALLOCATIONS.
16
17

18 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
19

20 *SECTION 1. Arkansas Code § 24-11-214(b), concerning allocation of*
21 *revenues, is amended to read as follows:*

22 *(b)(1) It is the intent of the General Assembly that the allocation of*
23 *revenues to the Firemen's and Police Officers' Pension and Relief Fund be*
24 *directed to a city, town, or fire protection district based on the actuarial*
25 *cost of their retirement programs.*

26 *(2) The actuarial cost for a calendar year:*

27 *(A)(i) For a group that is a member of the Arkansas Local*
28 *Police and Fire Retirement System, shall equal that group's calculated*
29 *contribution rate, as defined in § 24-10-405, as of the beginning of that*
30 *calendar year multiplied by that group's estimated annual payroll as of the*
31 *beginning of that calendar year.*

32 *(ii) The group's actuarial cost under this section*
33 *shall be reduced by the group's estimated annual payroll as of the beginning*
34 *of that calendar year multiplied by one percent (1%) for the 2008 allocation,*
35 *two percent (2%) for the 2009 allocation, and three percent (3%) for*
36 *allocations after 2009.*



1 ~~(ii)~~(iii) However, for volunteer ~~firefighters~~
 2 members the actuarial cost shall equal the group's per person cost, less the
 3 mandatory employer per person cost, as of the beginning of that calendar year
 4 multiplied by the number of volunteer ~~firefighters~~ members in that group as
 5 of the beginning of that calendar year;

6 (B) For a group that is covered by a local pension and
 7 relief fund, shall be the dollar cost calculated by the actuary for the
 8 Arkansas Fire and Police Pension Review Board for the preceding calendar
 9 year; ~~and~~

10 (C) Shall include the cost of any benefit enhancements
 11 mandated by state law but shall not include any benefit enhancement that is
 12 the result of local options or increases after January 1, 2003~~+~~; and

13 (D) Shall not include the cost of any benefit
 14 enhancements, either mandated by state law or as a result of local options,
 15 enacted after January 1, 2007.

16
 17 SECTION 2. Arkansas Code § 24-11-214(d)(6), concerning minimum
 18 percentage covered, is amended to read as follows:

19 (6)(A) A percentage called the "minimum percentage covered"
 20 shall be determined as the lesser of:

21 (i) The calendar year 2002 percentage of costs
 22 covered by premium tax; or

23 (ii) One hundred percent (100%).

24 (B) This minimum percentage covered shall be determined
 25 separately for the fire portion, for the police portion, and for the combined
 26 total.

27 (C) The minimum percentage covered shall be a fixed
 28 percentage and shall not change over time~~+~~.

29 (D) The minimum percentage covered for the volunteer
 30 portion of the actuarial cost for a calendar year in the Arkansas Local
 31 Police and Fire Retirement System shall be one hundred percent (100%);

32
 33 SECTION 3. Arkansas Code § 24-10-411 is repealed.

34 ~~24-10-411. Transfer of subsidy account funds.~~

35 ~~Any city or town whose local police pension and relief fund or~~
 36 ~~firemen's relief and pension fund has a balance, no participants, and an~~

~~excess in its local Arkansas Local Police and Fire Retirement System subsidy account can transfer money left in the subsidy account to the city or town general fund for capital improvements.~~

SECTION 4. EMERGENCY CLAUSE. It is found and determined by the General Assembly of the State of Arkansas that the current laws applicable to the local police and fire pension and relief funds regarding retirement funding allocations require revision; and that revisions are necessary to ensure the effective and efficient operation of the system. Therefore, an immediate emergency is declared to exist and this act being necessary for the preservation of the public peace, health, and safety shall become effective on:

(1) The date of its approval by the Governor;

(2) If the bill is neither approved nor vetoed by the Governor, the expiration of the period of time during which the Governor may veto the bill; or

(3) If the bill is vetoed by the Governor and the veto is overridden, the date the last house overrides the veto.

/s/ Harris