

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: S3/23/07

# A Bill

SENATE BILL 158

5 By: Senator J. Jeffress  
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## For An Act To Be Entitled

9 AN ACT ESTABLISHING MINIMUM ASSET MANAGEMENT  
10 STANDARDS FOR LOCAL PENSION AND RELIEF FUNDS; AND  
11 FOR OTHER PURPOSES.  
12

### Subtitle

13 AN ACT ESTABLISHING MINIMUM ASSET  
14 MANAGEMENT STANDARDS FOR LOCAL PENSION  
15 AND RELIEF FUNDS.  
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19 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
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21 SECTION 1. Arkansas Code Title 24, Chapter 11, Subchapter 2 is amended  
22 to add an additional section to read as follows:

23 § 24-11-216 Minimum asset management standards.

24 (a) A local pension and relief shall meet the minimum asset management  
25 standards established under this section.

26 (b)(1) A local pension and relief fund shall be deemed to have met the  
27 minimum asset management standards if:

28 (A) The fund has a legally constituted board under § 24-  
29 11-405 and § 24-11-801;

30 (B) The board of the fund meets at least twice annually;

31 (C) The fund is actuarially sound as defined by the  
32 Arkansas Fire and Police Pension Review Board;

33 (D)(i) The rate of return earned by the pension and relief  
34 fund over the most recent three (3) year period is at least equal to the rate  
35 of return for one (1) year Treasury notes over the most recent three (3) year  
36 period.



1                   (ii) A higher standard for rate of return may be set  
2 by rule of the Arkansas Fire and Police Pension Review Board; and

3                   (E) The fund has been in compliance under § 24-11-202 in  
4 two (2) of the past three (3) years.

5                   (2) A local pension and relief fund shall meet the requirements  
6 of this section on or before December 31, 2008 and each year thereafter.

7                   (c) If the Arkansas Fire and Police Pension Review Board determines  
8 that a local pension and relief fund does not meet the minimum asset  
9 management standard under subsection (b) of this section, the board shall:

10                   (1) Notify the local pension and relief fund and the sponsoring  
11 municipality of the local pension and relief fund of that fact and advise the  
12 fund of the steps necessary to comply with the standards; and

13                   (2) Require the fund to:

14                   (A) Establish a written investment policy which  
15 incorporates the rate of return established under subdivision (b)(4) of this  
16 section and other requirements in accordance with rules promulgated by the  
17 board; and

18                   (B) Obtain professional investment management in  
19 accordance with rules promulgated by the board.

20                   (d) If the local pension and relief fund or its sponsoring  
21 municipality does not comply with subsection (c) of this section within six  
22 (6) months of the notification by the board, then the fund shall develop a  
23 written plan of action in conjunction with the board in accordance with rules  
24 promulgated by the board.

25                   (e) The board shall promulgate rules necessary to implement the  
26 provisions of this section.

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28                   /s/ J. Jeffress  
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