

**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

# A Bill

**Act 1542 of 2001**  
**HOUSE BILL 1334**

5 By: Representative R. Smith  
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## **For An Act To Be Entitled**

9 AN ACT TO AMEND ARKANSAS CODE 24-11-203 TO ALLOW  
10 ACTIVE AND RETIRED MEMBERS AND DROP PARTICIPANTS OF A  
11 POLICE OR FIREMEN'S PENSION AND RELIEF FUND TO SERVE  
12 ON THE ARKANSAS FIRE AND POLICE PENSION REVIEW BOARD;  
13 AND FOR OTHER PURPOSES.  
14

## **Subtitle**

15 TO ALLOW ACTIVE AND RETIRED MEMBERS AND  
16 DROP PARTICIPANTS OF A POLICE OR  
17 FIREMEN'S PENSION AND RELIEF FUND TO  
18 SERVE ON THE ARKANSAS FIRE AND POLICE  
19 PENSION REVIEW BOARD.  
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22

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

25 SECTION 1. Arkansas Code 24-11-203 is amended to read as follows:  
26 24-11-203. Arkansas Fire and Police Pension Review Board.

27 (a) The purpose of this section, which creates and establishes the  
28 Arkansas Fire and Police Pension Review Board, is to establish a state pension  
29 review board for all municipal fire and police pension funds established under  
30 §§ 14-52-106, 24-11-401 - 24-11-403, 24-11-405 - 24-11-413, 24-11-416, 24-11-  
31 417, 24-11-422, 24-11-423, 24-11-425, 24-11-428 - 24-11-430, 24-11-801 - 24-  
32 11-807, 24-11-809, 24-11-810, 24-11-813 - 24-11-815, 24-11-818 - 24-11-821,  
33 which shall oversee all requests for benefit increases and review the annual  
34 accountant's reports and biennial actuarial valuations required by this  
35 subchapter, and which shall oversee, invest, and administer the Arkansas Fire  
36 and Police Pension Guarantee Fund as established by law.

1 (b)(1) The board shall be composed of nine (9) persons as follows:

2 (A) Two (2) fire fighters, an active member, retired member  
3 or a DROP participant, one (1) of whom shall be appointed by the Governor from  
4 a list submitted by the Arkansas Council of Professional Fire Fighters and the  
5 other from a list submitted by the Arkansas State Fire Fighters Association;

6 (B) Two (2) police officers, an active member, retired  
7 member or a DROP participant, to be appointed by the Governor, one (1) from a  
8 list submitted by the Arkansas Municipal Police Association and the other from  
9 a list submitted by the Fraternal Order of Police;

10 (C) Three (3) persons to be appointed by the Governor from  
11 a list submitted by the Arkansas Municipal League;

12 (D) One (1) person who is not a member, retirant, or  
13 beneficiary of the Arkansas Local Police and Fire Retirement System and who is  
14 not a current or former member of the governing body of any political  
15 subdivision, to be appointed by the Governor from a list of persons submitted  
16 to him by the Joint Committee on Public Retirement and Social Security  
17 Programs; and

18 (E) The Director of the Department of Finance and  
19 Administration.

20 (2) The board shall elect one of its members as chairman.

21 (c) Board members appointed as employee members must be active members,  
22 retired fire fighters or police officers, or DROP participants of local  
23 firemen's and policemen's pension and relief funds established under §§ 14-52-  
24 106, 24-11-401 - 24-11-403, 24-11-405 - 24-11-413, 24-11-416, 24-11-417, 24-  
25 11-422, 24-11-423, 24-11-425, 24-11-428 - 24-11-430, 24-11-801 - 24-11-807,  
26 24-11-809, 24-11-810, 24-11-813 - 24-11-815, 24-11-818 - 24-11-821.

27 (d) Board members appointed as employer members shall be elected or  
28 appointed officials of municipalities or fire protection districts with  
29 established firemen's or policemen's pension and relief funds. However, both  
30 employer members shall not be from the same municipality or fire protection  
31 district.

32 (e) Whenever the Governor is to appoint a board member, the list of  
33 persons submitted to him shall consist of the names of at least two (2)  
34 persons.

35 (f)(1) The normal term of office shall be four (4) years from January 1  
36 next following the appointment.

1 (2) Each board member shall continue to serve until a successor  
2 has been appointed and has qualified.

3 (g)(1) In the event any employee board member ceases to be ~~a member~~ an  
4 active or retired member or a DROP participant of a local pension fund, or any  
5 employer board member ceases to be an appointed or elected official of an  
6 employer or becomes a member of a local pension fund, or if the citizen board  
7 member becomes a member of a local pension fund or an elected or appointed  
8 official of an employer, or if any board member fails to attend three (3)  
9 consecutive meetings of the board, unless in each case excused for cause by  
10 the remaining board members attending the meeting or meetings, he shall be  
11 considered as having resigned from the board, and the board shall, by  
12 resolution, declare the office of that member vacated.

13 (2) If a vacancy occurs in the office of a member, the vacancy  
14 shall be filled for the unexpired term in the same manner as the office was  
15 previously filled.

16 (3) From the time a vacancy in the office of a member occurs and  
17 the review board has begun the steps to see that the vacancy will be filled,  
18 and before the time the vacancy is filled, the members in office may, by  
19 majority vote, elect a person to fill temporarily the vacancy for the interim  
20 period, but in no event for a period longer than one (1) year.

21 (h) The executive director and staff of the Arkansas Local Police and  
22 Fire Retirement System shall serve as executive director and staff for the  
23 review board.

24 (i)(1) The review board shall be responsible for reviewing and  
25 approving at least once annually all actions taken by the staff in regard to  
26 benefit increase requests and administration of the disclosure and reporting  
27 requirements under this subchapter.

28 (2) All benefit increase determinations shall be made in  
29 compliance with the provisions of §§ 24-11-101 - 24-11-103.

30 (j)(1) The review board shall have the power to make all rules and  
31 regulations necessary to enforce the laws governing funding standards and  
32 benefit levels for fire and police pension and relief funds. Further, the  
33 review board shall have the authority to make all rules and regulations  
34 necessary to assure continued tax qualification of each firemen's and  
35 policemen's pension and relief fund that is subject to this subchapter.

36 (2) All rules and regulations must be promulgated in accordance

1 with the provisions of the Arkansas Administrative Procedure Act, § 25-15-201  
2 et seq. In addition, all rules and regulations relating to continued tax  
3 qualification of such plans shall be specifically presented to the Joint  
4 Committee on Public Retirement and Social Security Programs or the Legislative  
5 Council when the General Assembly is not in session for review prior to final  
6 adoption.

7 (k)(1) Expenses incurred by the review board for performing biennial  
8 actuarial valuations and for all other administrative services to local  
9 pension funds shall be paid from the revenues derived from premium taxes  
10 levied by the state on insurers for the support of fire and police retirement  
11 programs.

12 (2) It shall be the duty of the review board to report its  
13 administrative and actuarial expenses to the Insurance Commission by or on  
14 April 30 of each year for the previous year.

15 (3) It shall be the duty of the Insurance Commissioner to report  
16 the amount which the review board is entitled to receive to the Auditor of  
17 State and the Treasurer of State.

18 (4) As soon as the Auditor of State receives the report of the  
19 commissioner showing the amount due, he shall draw his warrant on the  
20 Treasurer of State in favor of the board for the amount due and shall deliver  
21 the warrant to the board.

22 (5) The board shall establish a certain percentage of the  
23 insurance tax revenues to use to meet its proper administrative expenses each  
24 year, but in no event shall the board be entitled to more than one percent  
25 (1%) of the insurance tax revenues.

26 (6) Each member of the board may receive expense reimbursement  
27 and stipends in accordance with § 25-16-901 et seq.

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29 SECTION 2. [THE ARKANSAS CODE REVISION COMMISSION IS NOT REQUIRED TO  
30 CODIFY THIS SECTION.] No benefit enhancement provided for by this act shall  
31 be implemented if it would cause the publicly supported retirement system's  
32 unfunded actuarial accrued liabilities to exceed a thirty (30) year  
33 amortization. No benefit enhancement provided for by this act shall be  
34 implemented by any publicly supported system which has unfunded actuarial  
35 accrued liabilities being amortized over a period exceeding thirty (30) years  
36 until the unfunded actuarial accrued liability is reduced to a level less than

1 the standards prescribed by Arkansas Code, Title 24.

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APPROVED: 4/12/2001