

1 State of Arkansas  
2 95th General Assembly  
3 Regular Session, 2025  
4

As Engrossed: H2/5/25

# A Bill

HOUSE BILL 1118

5 By: Representative Warren  
6 By: Senator K. Hammer  
7

## For An Act To Be Entitled

9 AN ACT TO AMEND THE LAWS CONCERNING THE MANAGEMENT OF  
10 PREMIUM TAXES UNDER THE ARKANSAS FIRE AND POLICE  
11 PENSION REVIEW BOARD; TO DECLARE AN EMERGENCY; AND  
12 FOR OTHER PURPOSES.  
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## Subtitle

15 TO AMEND THE LAWS CONCERNING THE  
16 MANAGEMENT OF PREMIUM TAXES UNDER THE  
17 ARKANSAS FIRE AND POLICE PENSION REVIEW  
18 BOARD; AND TO DECLARE AN EMERGENCY.  
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20

21 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
22

23 SECTION 1. Arkansas Code § 24-11-203(k), concerning certification of  
24 funding recommended for disbursement of premium tax funds to underfunded  
25 municipal fire and police relief and pension plans, is repealed.

26 ~~(k)(1) On or before June 15 of each fiscal year, the Arkansas Fire and~~  
27 ~~Police Pension Review Board shall certify to the Chief Fiscal Officer of the~~  
28 ~~State the amount of funding it recommends for disbursement in the ensuing~~  
29 ~~fiscal year to underfunded municipal fire and police relief and pension plans~~  
30 ~~as defined in § 24-11-217.~~

31 ~~(2) After receiving the certification required under subdivision~~  
32 ~~(k)(1) of this section, the Chief Fiscal Officer of the State shall~~  
33 ~~immediately transfer on his or her books and the books of the Treasurer of~~  
34 ~~State the lesser of the total amount recommended by the Arkansas Fire and~~  
35 ~~Police Pension Review Board or the amount appropriated by the General~~  
36 ~~Assembly for the ensuing fiscal year from the Revenue Holding Fund Account to~~



1 ~~the Firemen's and Police Officers' Pension and Relief Fund for distribution~~  
2 ~~to the recommended underfunded plans.~~

3  
4 SECTION 2. Arkansas Code § 24-11-211(a), concerning the creation and  
5 administration of the Arkansas Policemen's Pension Supplement Program, is  
6 amended to read as follows:

7 (a)(1) There is created the Arkansas Policemen's Pension Supplement  
8 Program, to be administered by the ~~Arkansas Fire and Police Pension Review~~  
9 ~~Board~~ Department of Finance and Administration.

10  
11 SECTION 3. Arkansas Code § 24-11-211(b)(2)-(c)(2), concerning funding  
12 and administration of the Policemen's Pension Supplement Program Fund, are  
13 amended to read as follows:

14 (2) The Policemen's Pension Supplement Program Fund shall be  
15 funded by that portion of those unallocated premium taxes levied on insurers  
16 for the support of police retirement programs that is transferred to the  
17 control of the ~~board~~ department under § 24-11-215(c).

18 (c)(1) The ~~board~~ department shall administer the program and make the  
19 payments called for under the program, including formulating necessary rules,  
20 procedures, and forms.

21 (2) The ~~board~~ department may retain one percent (1%) of the  
22 funds transferred for administrative expenses of the program.

23  
24 SECTION 4. Arkansas Code § 24-11-211(f)-(g), concerning payments and  
25 certification of transfers related to the Policemen's Pension Supplement  
26 Program Fund, are amended to read as follows:

27 (f) ~~On or after July 1 of each fiscal year following the board's~~  
28 ~~payments required by subsection (e) of this section, the board shall pay to~~  
29 ~~the State Treasury the amounts transferred to the board under § 24-11-215(c)~~  
30 ~~that exceed the amounts the board is required to pay under the program.~~

31 (g)(1) The program is effective July 1, 1999.

32 (2) The first payments may be made under the program beginning  
33 July 31, 1999, and the first transfer under § 24-11-215(c) shall occur on  
34 July 25, 1999, and on each July 25 thereafter.

35  
36 SECTION 5. Arkansas Code § 24-11-212(b), concerning the administration

1 of the Future Supplement Fund, is amended to read as follows:

2 (b) The Future Supplement Fund shall be administered by the ~~Arkansas~~  
3 ~~Fire and Police Pension Review Board~~ Department of Finance and  
4 Administration.

5  
6 SECTION 6. Arkansas Code § 24-11-212(f), concerning the use of  
7 allocations in previous years that were not distributed for the Future  
8 Supplement Fund, is amended to read as follows:

9 (f) The ~~Arkansas Fire and Police Pension Review Board~~ department may  
10 use an amount allocated in previous years that has not been distributed for  
11 the Future Supplement Fund to:

12 (1) Ensure the distribution of an amount listed in subdivision  
13 (d)(1) of this section; and

14 (2) Help offset a reduction described in § 24-11-215.

15  
16 SECTION 7. Arkansas Code § 24-11-213(b), concerning the allocation of  
17 funds between the Firemen's and Police Officers' Pension and Relief Fund and  
18 the General Revenue Fund Account, is amended to read as follows:

19 (b) The allocation of funds between the Firemen's and Police Officers'  
20 Pension and Relief Fund and the General Revenue Fund Account under this  
21 section is subject to the following conditions:

22 (1) The ~~Arkansas Fire and Police Pension Review Board~~ Department  
23 of Finance and Administration shall review annually the distribution of funds  
24 to each qualified city, town, or fire protection district made in the  
25 previous calendar year before disbursing funds to an area qualified under §  
26 24-11-214; and

27 (2) The ~~board~~ department shall consider as part of the annual  
28 assessment of the allocation of the disbursement of funds under § 24-11-214:

29 (A) The certification of a new city, town, or fire  
30 protection district for participation in the Firemen's and Police Officers'  
31 Pension and Relief Fund; and

32 (B) A change in the legal description of a city, town, or  
33 fire protection district, which shall be reported to the ~~board~~ department  
34 annually by December 14.

35  
36 SECTION 8. Arkansas Code § 24-11-214(b)(2)(B), concerning the

1 actuarial cost for a calendar year to determine the amount of the premium tax  
2 revenues, is amended to read as follows:

3 (B) For a group that is covered by a local policemen's  
4 pension and relief fund or a local firemen's relief and pension fund, shall  
5 be the cost calculated by the actuary for the ~~Arkansas Fire and Police~~  
6 ~~Pension Review Board~~ Department of Finance and Administration for the  
7 preceding calendar year; and

8

9 SECTION 9. Arkansas Code § 24-11-214(c), concerning the calculation of  
10 the amount of the premium tax revenues, is amended to read as follows:

11 (c) The amount of revenues to be directed to cities, towns, and fire  
12 protection districts shall equal the amount in the Firemen's and Police  
13 Officers' Pension and Relief Fund less the payment for the administrative and  
14 actuarial expenses of the ~~board~~ Arkansas Fire and Police Pension Review Board  
15 under subsection (i) of this section and under § 24-11-203.

16

17 SECTION 10. Arkansas Code § 24-11-214(f)(2), concerning the timing of  
18 the certification by the Arkansas Fire and Police Pension Review Board, is  
19 amended to read as follows:

20 (2) On or before June 15 of each calendar year after ~~2002~~ 2025,  
21 ~~the board shall certify to~~ the Department of Finance and Administration shall  
22 certify the exact amount of tax revenues each city, town, or fire protection  
23 district is entitled to receive for the calendar year under this section.

24

25 SECTION 11. Arkansas Code § 24-11-214(h)-(i), concerning fees and  
26 expenses for the administration of this section, is amended to read as  
27 follows:

28 (h)(1) There shall be no administrative fees charged to these entities  
29 by the ~~board~~ department upon qualification.

30 (2) The ~~board~~ department shall incur all administrative and  
31 actuarial costs associated with obtaining the information required under this  
32 section.

33 (i)(1) The ~~board~~ department shall establish a certain percentage of  
34 the insurance tax revenues to use to meet its proper actuarial expenses and  
35 administrative costs incurred in obtaining and evaluating the population  
36 information required under § 24-11-213, but in no event shall the ~~board~~

1 department be entitled to more than one percent (1%) of the Firemen's and  
2 Police Officers' Pension and Relief Fund as defined in § 24-11-809(a)(2).

3 (2) This assessment shall be collected in addition to the  
4 assessment provided in § 24-11-203.

5  
6 SECTION 12. Arkansas Code § 24-11-214(1), concerning the promulgation  
7 of rules for the implementation of this section, is amended to read as  
8 follows:

9 (1) ~~The Arkansas Fire and Police Pension Review Board~~ department shall  
10 may promulgate rules that are necessary to implement this section.

11  
12 SECTION 13. Arkansas Code § 24-11-215(c), concerning annual transfers  
13 to the Arkansas Policemen's Pension Supplement Program, is amended to read as  
14 follows:

15 (c) After transfers are made to cover funds distributed under  
16 subsection (b) of this section and the portion of those premium taxes set  
17 aside for transfer to the State Police Retirement Fund under § 24-6-209(b),  
18 the Secretary of the Department of Finance and Administration is directed to  
19 make annual transfers from the police portion of the revenues to the  
20 Policemen's Pension Supplement Program Fund on or before ~~July 25, 1999, and~~  
21 ~~each year thereafter as certified by the Arkansas Fire and Police Pension~~  
22 ~~Review Board~~ on July 1 each year as the amount needed to pay the expenses of  
23 and to make payments to the eligible retired police officers and survivors  
24 under the Arkansas Policemen's Pension Supplement Program for the coming year  
25 of the program.

26  
27 SECTION 14. Arkansas Code § 24-11-217(c), concerning approval of  
28 additional allocations to the policemen's pension and relief funds and  
29 firemen's relief and pension funds, is amended to read as follows:

30 (c) The policemen's pension and relief funds and firemen's relief and  
31 pension funds shall qualify for the additional allocation after ~~approval of~~  
32 ~~the Arkansas Fire and Police Pension Review Board and after~~ meeting the  
33 following criteria:

34 (1) The policemen's pension and relief fund or the firemen's  
35 relief and pension fund is in compliance with all applicable laws and rules;

36 (2) The policemen's pension and relief fund or the firemen's

1 relief and pension fund shall receive employer contributions other than  
2 premium tax allocations that are at least eighty percent (80%) of the  
3 actuarial cost under § 24-11-214 during the calendar year before an  
4 allocation; and

5 (3)(A) A firemen's relief and pension fund that provides  
6 benefits to volunteer members shall receive funding without meeting the  
7 employer contribution requirement described in subdivision (c)(2) of this  
8 section if the firemen's relief and pension fund is:

9 (i) Less than fifty percent (50%) funded as of the  
10 most recent actuarial valuation; and

11 (ii) Administered by the Arkansas Local Police and  
12 Fire Retirement System.

13 (B) The funding under this subsection shall be eliminated  
14 to meet the criteria of § 24-11-215(e)(2)(A) notwithstanding the requirement  
15 of § 24-11-215(d).

16

17 SECTION 15. EMERGENCY CLAUSE. It is found and determined by the  
18 General Assembly of the State of Arkansas that the management of premium  
19 taxes collected for the benefit of municipal firemen's relief and pension  
20 funds and policemen's pension and relief funds is in need of a change in  
21 administration from the Arkansas Fire and Police Pension Review Board to the  
22 Department of Finance and Administration for purposes of financial security  
23 and efficiency; and that it is necessary for this act to have an effective  
24 date of July 1, 2025, in order to allow for a structured and proper  
25 administration of the procedures referenced in this act. Therefore, an  
26 emergency is declared to exist, and this act being necessary for the  
27 preservation of the public peace, health, and safety shall become effective  
28 on July 1, 2025.

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30 /s/Warren

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