

State of Arkansas
92nd General Assembly
Regular Session, 2019

As Engrossed: S2/18/19

A Bill

SENATE BILL 241

By: Senator B. Sample

For An Act To Be Entitled

AN ACT CONCERNING THE FUTURE SUPPLEMENT FUND-POLICE AND THE FUTURE SUPPLEMENT FUND-FIRE; CONCERNING THE ALLOCATION OF INSURANCE PREMIUM TAX; TO DECLARE AN EMERGENCY; AND FOR OTHER PURPOSES.

Subtitle

CONCERNING THE FUTURE SUPPLEMENT FUND-POLICE AND THE FUTURE SUPPLEMENT FUND-FIRE; CONCERNING THE ALLOCATION OF INSURANCE PREMIUM TAX; AND TO DECLARE AN EMERGENCY.

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

SECTION 1. Arkansas Code § 24-11-212 is amended to read as follows:

24-11-212. Future ~~supplement funds~~ Supplement Fund.

(a) A Future Supplement ~~Fund Police and a Future Supplement Fund Fire~~ Fund is created for the purpose of providing cost-of-living assistance and minimum-benefit-amount assistance to policemen's pension and relief funds and firemen's relief and pension funds.

(b) The Future Supplement Fund Police and Future Supplement Fund Fire shall be administered by the Arkansas Fire and Police Pension Review Board.

(c) ~~Each year the Future Supplement Fund Police and Future Supplement Fund Fire will receive moneys from:~~ Each year the Future Supplement Fund shall receive moneys from the premium tax allocation under § 24-11-214 based on the total of the amounts listed in subdivision (d)(1) of this section.



~~(1) The portion of each location's premium tax allocation based on number of members as of December 31, 2000, who are no longer receiving benefits and these amounts as defined in § 24-11-214(g); and~~

~~(2) The portion of the increase in the amount allocated to general revenues under § 24-11-213 as this amount is defined in that section.~~

~~(d)(1) In each regular session, the General Assembly shall decide the method and amount to be distributed from the Future Supplement Fund Police and Future Supplement Fund Fire Beginning on June 30, 2019, and continuing on June 30 of each following year, the Future Supplement Fund may distribute to local policemen's pension and relief funds and local firemen's relief and pension funds to pay retired members, beneficiaries, or members of a deferred retirement option plan the following:~~

~~(A) Two thousand two hundred and forty dollars (\$2,240) to each retired member, beneficiary, or member of the deferred retirement option plan of a policemen's pension and relief fund;~~

~~(B) One thousand six hundred and twenty dollars (\$1,620) to each retired member, beneficiary, or member of the deferred retirement option plan who was a paid member of a firemen's relief and pension fund; and~~

~~(C) Three hundred dollars (\$300) to each retired member or beneficiary who was a volunteer member of a firemen's relief and pension fund.~~

~~(2) Beginning on June 30, 2020, and continuing each following year, the amounts listed in subdivision (d)(1) of this section shall be increased by a two-and-five-tenths percent (2.5%) compound cost-of-living adjustment.~~

~~(3) Beginning on June 30, 2020, and continuing each following year, the amount distributed to a paid member of the firemen's relief and pension fund shall be increased in seven (7) installments until the amount, beginning on June 30, 2026, is equal to the amount distributed to each member of the policemen's pension and relief fund.~~

~~(2)(A) Beginning June 30, 2003, and June 30 of each following year, the Future Supplement Fund Police and Future Supplement Fund Fire are authorized to distribute one hundred percent (100%) of the amount added to the Future Supplement Fund Police and Future Supplement Fund Fire the previous June 30 and any current reserve funds.~~

~~(B) The amount shall be distributed to the local~~

~~policemen's pension and relief funds and local firemen's relief and pension funds to be paid to members who are retired, beneficiaries, or members on the deferred retirement option plan.~~

~~(C) For the purposes of distribution, a volunteer member shall receive an amount equal to one fifth (1/5) of the amount distributed to a paid member.~~

~~(D) The distribution shall be calculated and approved by the board.~~

(e) At the time that there are no longer any members covered by local policemen's pension and relief funds and local firemen's relief and pension funds, any remainder of the Future Supplement ~~Fund~~ Police and Future Supplement Fund ~~Fire Fund~~ shall be transferred to the Arkansas Local Police and Fire Retirement System to be used solely by a covered employer to defray the covered employer's employer contribution costs to the system.

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

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

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

SECTION 2. Arkansas Code § 24-11-213 is amended to read as follows:

24-11-213. Allocation of insurance premium tax – Apportionments.

(a)(1)(A) The premium taxes collected under § 24-11-301 shall be placed in a fund combined with the premium taxes collected pursuant to § 24-11-809.

(B) The combined fund shall be entitled the "Firemen's and Police Officers' Pension and Relief Fund".

(C) The Firemen's and Police Officers' Pension and Relief Fund shall consist of a "fire portion" and a "police portion".

(2) The remaining revenues collected under §§ 23-60-102, 24-11-301, 24-11-809, 26-57-601 – 26-57-605, and 26-57-607 shall be distributed to the Firemen's and Police Officers' Pension and Relief Fund and to the State of Arkansas as general revenues.

(3) Revenues distributed to the State of Arkansas as general revenues are subject to the allocations under § 24-11-215.

~~(b) The revenues shall be distributed in a manner that the Firemen's and Police Officers' Pension and Relief Fund and the General Revenue Fund Account will each receive distributions of no less than they received in fiscal year 1999, except that:~~ The allocation of funds between the Firemen's and Police Officers' Pension and Relief Fund and the General Revenue Fund Account under this section is subject to the following conditions:

~~(1) If the revenues to be distributed in a subsequent year are less than the revenues distributed in 1999, the distributions to each shall be reduced proportionately~~ The Arkansas Fire and Police Pension Review Board shall review annually the distribution of funds to each qualified city, town, or fire protection district made in the previous calendar year before disbursing funds to an area qualified under § 24-11-214;

~~(2) If additional fire departments become eligible for distributions from the Firemen's and Police Officers' Pension and Relief Fund, the base amount for the state shall be reduced in proportion to the population in the area served by the fire department to the portion of the population of the state not covered by a fire department receiving a distribution from the Firemen's and Police Officers' Pension and Relief Fund~~ The board shall consider as part of the annual assessment of the allocation of the disbursement of funds under § 24-11-214:

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

(B)(i) A change in the legal description of a city, town, or fire protection district.

(ii) A change in the legal description of a city, town, or fire protection district shall be reported to the board annually by December 15; and

(C) A population change that is caused by a change in the legal description of a city, town, or fire protection district;—and

~~(3)(A) If additional police departments become eligible for distributions from the Firemen's and Police Officers' Pension and Relief Fund, the base amount for the state shall be reduced in proportion to the population in the area served by the police department to the portion of the population of the state not covered by a police department receiving a distribution from the Firemen's and Police Officers' Pension and Relief Fund~~

The total population of a city, town, or fire protection district that is qualified to participate in the Firemen's and Police Officers' Pension and Relief Fund shall be determined by a census population assessment in the city, town, or fire protection district.

(B) The population of a city, town, or fire protection district shall be determined by the Census State Data Center at the Arkansas Economic Development Institute at the University of Arkansas Little Rock;

(4) The legal description of the metes and bounds of a city, town, or fire protection district shall be:

(A) Based on:

(i) The standard physical features of the area; or

(ii) Boundaries that are determined by a Global Positioning System survey if the legal description of the metes and bounds of a city, town, or fire protection district cannot be based on the standard physical features of the area; and

(B) Determined by:

(i) A surveyor licensed in Arkansas;

(ii) A preexisting map maintained by the city, town, or fire protection district; or

(iii) The Geographic Information Systems Applications Laboratory located in the Donald W. Reynolds Center for Business and Economic Development at the University of Arkansas at Little Rock;

(5)(A) The preferred legal description of the metes and bounds of a city, town, or fire protection district shall be based on the standard physical features of the area.

(B) A local department shall change the description of the metes and bounds of the department to the standard physical features of the area.

(C) In the case of a fire department, the county quorum court shall determine the description of the standard physical features of the area if the local chief cannot make the determination; and

(6) The accuracy of the metes and bounds legal description of a city, town, or fire protection district shall be certified to the board by the:

(A) Mayor or other qualified representative of a city or town; or

(B) County fire coordinator of a rural fire protection district.

~~(c)(1) Except as provided under subsection (b) of this section, the portion distributed to the Firemen's and Police Officers' Pension and Relief Fund shall be based on the ratio percentage of the total population of the cities, towns, or fire protection districts qualified to participate in the Firemen's and Police Officers' Pension and Relief Fund in comparison to the total population of the State of Arkansas~~ The portion of revenues that may be distributed to the Firemen's and Police Officers' Pension and Relief Fund under this section shall be:

(A) Forty percent (40%) of the total actuarial cost for a paid group covered by the Arkansas Local Police and Fire Retirement System;

(B) One hundred percent (100%) of the actuarial cost for a volunteer group covered by the Arkansas Local Police and Fire Retirement System minus required employer contributions; and

(C) Thirty percent (30%) of the consolidation and local pension and relief fund actuarial costs as provided under § 24-11-214.

(2) The remaining percentage portion of revenues shall be distributed to the General Revenue Fund Account of the State Apportionment Fund.

~~(3)(A) Beginning with the allocation in fiscal year 2012, the portion distributed shall be at least the portion distributed under subdivision (c)(1) of this section~~ The portion of revenues distributed in accordance with subdivision (c)(1) of this section is subject to the requirements of § 24-11-215.

~~(B) The portion distributed under this section shall be:~~
~~(i) Forty percent (40%) of the total actuarial cost for groups covered by the Arkansas Local Police and Fire Retirement System; plus~~

~~(ii) One hundred percent (100%) of the volunteer costs for these groups less the required employer contribution; plus~~

~~(iii) Thirty percent (30%) of the consolidation and local pension and relief fund actuarial costs as defined under § 24-11-214.~~

~~(C) The portion distributed is subject to the limits under § 24-11-215.~~

~~(d) The allocation of funds between the Firemen's and Police Officers'~~

~~Pension and Relief Fund and the General Revenue Fund Account under this section shall be subject to the following conditions: The amount of revenues allocated to the Firemen's and Police Officers' Pension and Relief Fund for the fire portion and the amount of revenues allocated to the Firemen's and Police Officers' Pension and Relief Fund for the police portion shall be kept separate.~~

~~(1) Each calendar year the Arkansas Fire and Police Pension Review Board shall review its previous calendar year distribution of funds to each qualified city, town, or fire protection district prior to disbursement to each of these qualified areas in compliance with § 24-11-214(h);~~

~~(2) The certification of any new city, town, or fire protection district to participate in the Firemen's and Police Officers' Pension and Relief Fund shall be considered in the board's assessment each calendar year of the allocation of the disbursement of the funds under § 24-11-214(h);~~

~~(3)(A) Any change in the legal description of any city, town, or fire protection district will be considered in the board's assessment each year.~~

~~(B) Any changes shall be reported to the board by December 15 of each calendar year.~~

~~(C) The associated population change caused by the change in legal description shall also be considered;~~

~~(4) The total population of the cities, towns, or fire protection districts qualified to participate in the Firemen's and Police Officers' Pension and Relief Fund will be determined by a census population assessment in the city, town, or fire protection district;~~

~~(5)(A) The legal description of the metes and bounds of the city, town, or fire protection district shall be based on standard physical features of the area.~~

~~(B) If the legal description cannot be based on standard physical features, a Global Positioning System survey shall be conducted to determine the boundaries;~~

~~(6)(A) The preferred description of the area will be based on standard physical features.~~

~~(B) Each local department shall change the department's description of metes and bounds to the standard physical features' description.~~

~~(C) In the case of a fire department, if the local chief cannot agree on a standard physical features' description, the county quorum court will make the decision;~~

~~(7) The mayor or other qualified representative of each city or town or the county fire coordinator for a rural fire protection district shall certify to the board the accuracy of the metes and bounds legal description of the area;~~

~~(8) The metes and bounds legal description shall be determined by a surveyor licensed in the State of Arkansas, by a preexisting map held by the city, town, or fire protection district, or by the Institute for Economic Advancement at the College of Business Administration at the University of Arkansas at Little Rock's Geographic Information Systems Lab;~~

~~(9) The population of the area shall be determined by the Census State Data Center at the Institute for Economic Advancement at the College of Business Administration at the University of Arkansas at Little Rock's Geographic Information Systems Lab; and~~

~~(10) The amount of revenues allocated to the Firemen's and Police Officers' Pension and Relief Fund shall be kept separate for the fire portion and the police portion.~~

SECTION 3. Arkansas Code § 24-11-214 is amended to read as follows:

24-11-214. Allocation of insurance premium tax – Division among localities.

(a) An actuary certified by the Society of Actuaries shall evaluate the information submitted under §§ 24-11-213 – 24-11-215 to determine the amount of the premium tax revenues to be directed to each city, town, or fire protection district.

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

(2) The actuarial cost for a calendar year:

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

beginning of that calendar year.

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

~~(iii)~~ However, for volunteer members the actuarial cost shall equal the group's per-person cost, less the mandatory employer per-person cost, as of the beginning of that calendar year multiplied by the number of volunteer members in that group as of the beginning of that calendar year.

~~(iv)~~(iii) The additional cost for a group that is a member of the Arkansas Local Police and Fire Retirement System that results from a consolidation of a local policemen's pension and relief fund or a local firemen's relief and pension fund shall be calculated separately for this allocation purpose;

(B) For a group that is covered by a local policemen's pension and relief fund or a local firemen's relief and pension fund, shall be the cost calculated by the actuary for the Arkansas Fire and Police Pension Review Board for the preceding calendar year; and

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

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

~~(E)(i) Beginning with the allocation in fiscal year 2012, all actuarial costs~~ An actuarial cost in this subsection shall be calculated on the base benefit.

(ii) The base benefit is the minimum amount prescribed under § 24-10-101 et seq. and § 24-11-101 et seq., excluding all elective benefit increases.

(c) The amount of revenues to be directed to cities, towns, and fire protection districts shall equal the amount in the Firemen's and Police Officers' Pension and Relief Fund, less the payment for the administrative and actuarial expenses of the board under subsection (i) of this section and

under § 24-11-203.

~~(1) The payment for the administrative and actuarial expenses of the board under subsection (k) of this section and under § 24-11-203(k)(3); and~~

~~(2) The amount described in subsection (g) of this section.~~

(d) The amount of revenue directed to a city, town, or fire protection district shall equal the amount described in subsection (c) of this section less the amount described in subsection (e) of this section.

~~(d)(1) In general, the revenues shall be allocated in each calendar year to each city, town, or fire protection district so that each city, town, or fire protection district receives the same percentage of its total cost as it received in 2002 but not more than one hundred percent (100%) of its cost.~~

~~(2) Any remaining revenues are to be allocated to those receiving less than one hundred percent (100%) of their cost.~~

~~(e) This allocation shall keep the fire portion and the police portion separate and shall be accomplished by the following steps:~~

~~(1) The actuarial cost for calendar year 2002 for each local policemen's pension and relief fund or each local firemen's relief and pension fund shall be determined;~~

~~(2) The actual dollar amount of contributions for calendar year 2002 for each group covered by the system shall be determined;~~

~~(3) The total of subdivisions (e)(1) and (2) of this section shall be determined for each city, town, and fire protection district, and this total shall be determined separately for the fire portion and for the police portion, and a combined total of the fire portion and the police portion shall also be determined;~~

~~(4) The amount of premium tax revenue allocated to each city, town, and fire protection district in calendar year 2002 shall be determined, and this amount shall be determined separately for the fire portion and for the police portion, and a combined total of the fire portion and the police portion shall also be determined;~~

~~(5) A percentage called the "calendar year 2002 percentage of costs covered by premium tax" shall be determined as the ratio of subdivision (e)(4) of this section divided by subdivision (e)(3) of this section, and the percentage shall be determined separately for the fire portion, for the police portion, and for the combined total;~~

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

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

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

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

~~(C) The minimum percentage covered shall be a fixed percentage and shall not change over time, except as provided in subdivision (e)(6)(E) of this section.~~

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

~~(E)(i) The minimum percentage covered shall be adjusted when a local fire or police pension fund assigns administrative responsibility for the fund to the Arkansas Local Police and Fire Retirement System under §§ 24-10-301 and 24-10-302.~~

~~(ii) The minimum percentage covered shall be adjusted so that the dollar amount of premium tax allocated under this section for the year after the assignment of administrative responsibility will be the same as it was the year of the assignment of administrative responsibility.~~

~~(iii) For the purpose of this adjustment, subdivision (b)(2)(D) of this section does not apply to the addition of a cost-of-living adjustment of three percent (3%) compounded each year, provided the addition was a part of the consolidation process;~~

~~(7) The actuarial cost for the calendar year of allocation for each local policemen's pension and relief fund or each local firemen's relief and pension fund shall be determined;~~

~~(8) The actuarial cost for the calendar year of allocation for each group covered by the system shall be determined;~~

~~(9) The total of subdivisions (e)(7) and (8) of this section shall be determined for each city, town, and fire protection district, and this total shall be determined separately for the fire portion and for the police portion, and a combined total of the fire portion and the police~~

~~portion shall also be determined;~~

~~(10)(A) The "first allocation" for each city, town, and fire protection district shall be equal to the result of the minimum percentage covered from subdivision (e)(6) of this section multiplied by subdivision (e)(9) of this section.~~

~~(B) This first allocation shall be the greater of:~~

~~(i) The "first allocation" for the fire portion plus the "first allocation" for the police portion; or~~

~~(ii) The "first allocation" for the combined total;~~

~~(11) The results of subdivision (e)(10) of this section shall be reduced, but not below zero (0), by the amount in the subsidy account of the city, town, or fire protection district at the beginning of the calendar year under subsection (f) of this section;~~

~~(12)(A) If the total premium tax revenue as determined under subsection (e) of this section is less than the total allocated through subdivision (e)(11) of this section, the total premium tax revenue shall be allocated pro rata on the amounts under subdivision (e)(10) of this section, so that the total through subdivision (e)(11) of this section equals the amount determined under subsection (e) of this section.~~

~~(B) If the total premium tax revenue as determined under subsection (e) of this section is more than the total allocated through subdivision (e)(11) of this section, the excess, not to exceed the total of amounts under subdivision (e)(9) of this section minus the amounts under subdivision (e)(10) of this section, shall be allocated pro rata on the excess, if any, of the amounts under subdivision (e)(9) of this section over the amounts under subdivision (e)(10) of this section.~~

~~(C) If the total premium tax revenue as determined under subsection (e) of this section is more than the total allocated through subdivision (e)(11) of this section plus the amount allocated under subdivision (e)(12)(B) of this section, the excess shall be allocated to the Future Supplement Fund Police or Future Supplement Fund Fire under § 24-11-212; and~~

~~(13) The total amount allocated to a city, town, or fire protection district shall be the sum of amounts under subdivisions (e)(11) and (12) of this section.~~

~~(f)(1) The allocation in subdivision (e)(10) of this section is~~

~~reduced under subdivision (e)(11) of this section by the subsidy account for each city, town, or fire protection district.~~

~~(2) The subsidy account for a city, town, or fire protection district as of January 1, 2003, shall be determined by the board to be the excess, if any, of the total premium tax for firemen's relief and pension funds and policemen's pension and relief funds allocated to the city, town, or fire protection district in the calendar years 1997 through 2002 over the sum of:~~

~~(A) The contributions paid to the system for calendar years 1997 through 2002; plus~~

~~(B) The amount of premium tax allocated to the local policemen's pension and relief funds or local firemen's relief and pension funds for 1997 through 2002; plus~~

~~(C) Any transfers from the "LOPFI subsidy account" to the local policemen's pension and relief funds or local firemen's relief and pension funds from 1997 through 2002.~~

~~(3) Beginning January 1, 2004, and each January 1 thereafter, the subsidy account for a city, town, or fire protection district shall be determined by the board to be:~~

~~(A) The subsidy account at the prior January 1; plus~~

~~(B) The premium tax allocated in the prior calendar year; minus~~

~~(C) The contributions paid to the system for the prior calendar year; minus~~

~~(D) The actuarial cost of the local policemen's pension and relief funds or local firemen's relief and pension funds for the prior calendar year; but~~

~~(E) Not less than zero (0).~~

~~(g)(1)(e) There shall be allocated amounts to the Future Supplement Fund Fire and the Future Supplement Fund Police under § 24-11-212 determined as the amount under subsection (c) of this section multiplied by the ratio of the number as determined in subdivision (g)(1)(A) of this section to the number as determined in subdivision (g)(1)(B) of this section as follows: The Future Supplement Fund shall be allocated the amount determined as the total amount under § 24-11-212.~~

~~(A) The total number of active, retiree, and beneficiary~~

~~members of all of the firemen's relief and pension funds and policemen's pension and relief funds as of December 31, 2000, minus the total number of active, retiree, and beneficiary members of all of the firemen's relief and pension funds or the policemen's pension and relief funds as of the most recent December 31; and~~

~~(B) The number of active, retiree, and beneficiary fire or police members of the system plus the total number of active, retiree, and beneficiary members of all of the firemen's relief and pension funds or the policemen's pension and relief funds as of December 31, 2000.~~

~~(2) In the case of multiple beneficiaries of a single deceased member, those beneficiaries shall be counted as one (1) for the purposes of this subsection.~~

~~(3) In the case of paid service and volunteer service members in one (1) location, one (1) paid service member shall be equal to five (5) volunteer service members for the purposes of this subsection.~~

~~(h)(1)(A)(f)(1)(A)~~ All cities, towns, and fire protection districts having fire departments organized under §§ 24-11-801 – 24-11-807, 24-11-809, 24-11-813 – 24-11-815, and 24-11-818 – 24-11-820, and all cities and towns having police departments organized under § 24-11-101 et seq., § 24-11-201 et seq., § 24-11-301 et seq., § 24-11-401 et seq., and §§ 24-11-801 – 24-11-807, 24-11-809, 24-11-811 – 24-11-820, 24-11-822 – 24-11-827, 24-11-829, and 24-11-830 that have provided the information required under §§ ~~24-11-213(d)~~ 24-11-206 and ~~24-11-206~~ 24-11-213 to the board and to the system shall qualify for participation in the revenues distributed.

(B) Those cities, towns, and fire protection districts that make an irrevocable decision to elect coverage in the Arkansas Local Police and Fire Retirement System by December 14 shall qualify for participation in the revenues distributed in the following calendar year.

(C) Those cities, towns, and fire protection districts that have not provided the required information shall not qualify for participation in the revenues distributed.

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

~~(3)(A)(3) The eligibility of the city, town, or fire protection~~

~~district shall be continuous for a ten year period without recertification unless otherwise directed by the board.~~

~~(B) The first year of implementation shall require a nine-year cycle from June 15, 2001.~~

~~(C) Thereafter, each city, town, or fire protection district shall resubmit the information required in § 24-11-213(d)(2) and (3) every ten (10) years beginning on December 15, 2010.~~

~~(4) The Arkansas Fire Training Academy and the Arkansas Law Enforcement Training Academy are not eligible for participation in the receipt of or funding with premium tax revenues.~~

~~(i)(g) All nonprofit corporations formed for fire protection purposes and that participate in the system shall participate in the distribution of insurance premium tax revenues to the same extent as other fire protection organizations under this section, §§ 24-10-401 – 24-10-409, 24-11-809, and 26-57-610, and any other laws providing for the distribution of insurance premium tax moneys to fire protection organizations.~~

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

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

~~(k)(1)(i)(1) The board shall establish a certain percentage of the insurance tax revenues to use to meet its proper actuarial expenses and administrative costs incurred in obtaining and evaluating the population information required under § 24-11-213, but in no event shall the board be entitled to more than one percent (1%) of the Firemen's and Police Officers' Pension and Relief Fund as defined in § 24-11-809(a)(2).~~

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

~~(3) This revenue shall also be used to provide the administrative costs incurred in obtaining and evaluating the population information for unqualified cities, towns, and fire protection districts.~~

~~(l)(1)(j) Beginning with the allocation in fiscal year 2012, the The amount allocated to groups that are members of the Arkansas Local Police and Fire Retirement System excluding consolidation costs under subdivision ~~(b)(2)(A)(iv)~~ (b)(2)(A)(iii) of this section is the actuarial cost under subdivision (b)(2) of this section multiplied by the factor in § ~~24-11-215(f)~~~~

24-11-215.

~~(2) For the allocations in fiscal years 2012—2015, the actuarial cost less the allocation amount shall not increase by more than one percent (1%) of covered payroll each year above the allocation amount in fiscal year 2011.~~

~~(3) For the allocations in fiscal years 2012—2015, any amount needed to meet the transition under subdivision (1)(2) of this section shall proportionately reduce the percent of payroll of the other groups.~~

~~(m)(k) Beginning with the allocation in fiscal year 2012, the The amount allocated to groups that are covered by a local firemen's relief and pension fund or a local policemen's relief and pension fund including consolidation costs under subdivision ~~(b)(2)(A)(iv)~~ (b)(2)(A)(iii) of this section is the actuarial cost under subdivision (b)(2) of this section multiplied by the factor in § ~~24-11-215(f)~~ 24-11-215.~~

~~(n)(l) The Arkansas Fire and Police Pension Review Board shall promulgate rules that are necessary to implement this section.~~

SECTION 4. Arkansas Code § 24-11-215(d)-(f), concerning special provisions regarding the allocation of insurance premium tax, are amended to read as follows:

~~(d) Fifty percent (50%) of the increase in the amount allocated to general revenues under § 24-11-213, using the dollar amount allocated in fiscal year 1999-2000 as the base amount, shall be transferred to the Future Supplement Fund Police under § 24-11-212.~~

~~(e) The amounts under § 24-11-217 shall be reduced proportionately so that the remainder portion for general revenue does not fall below four million dollars (\$4,000,000).~~

~~(f)(1)(A)(e)(1)(A) The factor applied to groups allocated under § 24-11-214(1) 24-11-214(j) is forty percent (40%).~~

~~(B) The factor applied to groups allocated under § 24-11-214(m) 24-11-214(k) is thirty percent (30%).~~

(2) The factors under subdivision ~~(f)(1)~~ (e)(1) of this section may be reduced proportionately to meet the following criteria:

(A) The general revenue portion resulting from this subsection does not fall below four million dollars (\$4,000,000); and

(B) If the amount resulting from the application of the

percentages under subdivision ~~(f)(1)~~ (e)(1) of this section, ~~and~~ the amounts in subsections ~~(b)-(d)~~ (b) and (c) of this section, ~~and the amounts described in § 24-11-217~~ in total reduce the general revenue portion of the allocation below four million dollars (\$4,000,000), the amounts resulting from the percentages in this subsection take precedence.

SECTION 5. Arkansas Code § 24-11-217(a) and (b), concerning additional allocations for certain underfunded plans, are amended to read as follows:

~~(a)(1)(a)~~ Beginning with the allocation in fiscal year 2012, an An additional allocation for certain underfunded plans as described in this section is created.

~~(2) The additional allocation replaces the Arkansas Fire and Police Pension Guarantee Fund under § 24-11-209 [repealed] after the allocation in fiscal year 2015.~~

(b) The ~~additional~~ allocation shall be based on ~~ten percent (10%)~~ fifteen percent (15%) of the actuarial cost under § 24-11-214 and shall be available for certain policemen's pension and relief funds and firemen's relief and pension funds, including the portion of the actuarial cost for policemen's pension and relief funds and firemen's relief and pension funds that are administered by the Arkansas Local Police and Fire Retirement System.

SECTION 6. Arkansas Code § 24-11-217(d) and (e), concerning additional allocations for certain underfunded plans, are amended to read as follows:

~~(d) For the allocations in fiscal years 2012 through 2015, the amount of the additional allocation to a policemen's pension and relief fund or a firemen's relief and pension fund shall not be less than would have been provided by the Arkansas Fire and Police Pension Guarantee Fund under § 24-11-209 [repealed]~~ An amount that is not distributed due to a policemen's pension and relief fund or firemen's relief and pension fund not meeting the requirements of subsection (c) of this section shall be retained and used to supplement the amounts needed for future years when the reductions under subsection (e) of this section apply.

(e) The amounts provided under this ~~additional~~ allocation are subject to the limits under § 24-11-215.

SECTION 7. EMERGENCY CLAUSE. It is found and determined by the General Assembly of the State of Arkansas that this act includes provisions that will impact premium tax distributions that will occur in June of 2019; and that this act is necessary because it will ensure that the operations of the Arkansas Local Police and Fire Retirement System and the Arkansas Fire and Police Pension Review Board as they relate to premium tax distributions will not be interrupted or impaired. Therefore, an emergency is declared to exist, and this act being necessary for the preservation of the public peace, health, and safety shall become effective on May 1, 2019.

/s/B. Sample

APPROVED: 3/14/19