

SECOND REGULAR SESSION

HOUSE BILL NO. 2431

102ND GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE HOVIS.

4391H.011

DANA RADEMAN MILLER, Chief Clerk

AN ACT

To repeal section 70.605, RSMo, and to enact in lieu thereof one new section relating to the Missouri local government employees' retirement system.

Be it enacted by the General Assembly of the state of Missouri, as follows:

Section A. Section 70.605, RSMo, is repealed and one new section enacted in lieu thereof, to be known as section 70.605, to read as follows:

70.605. 1. For the purpose of providing for the retirement or pensioning of the officers and employees and the widows and children of deceased officers and employees of any political subdivision of the state, there is hereby created and established a retirement system which shall be a body corporate, which shall be under the management of a board of trustees herein described, and shall be known as the "Missouri Local Government Employees' Retirement System". Such system may sue and be sued, transact business, invest funds, and hold cash, securities, and other property. All suits or proceedings directly or indirectly against the system shall be brought in Cole County. The system shall begin operations on the first day of the calendar month next following sixty days after the date the board of trustees has received certification from ten political subdivisions that they have elected to become employers.

2. The general administration and the responsibility for the proper operation of the system is vested in a board of trustees of seven persons: three persons to be elected as trustees by the members of the system; three persons to be elected trustees by the governing bodies of employers; and one person, to be appointed by the governor, who is not a member, retirant, or beneficiary of the system and who is not a member of the governing body of any political subdivision. **Beginning on January 1, 2025, upon the expiration of the term of the**

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

18 **employer trustee elected to the board with a term ending on December 31, 2024, the**
19 **position of such employer trustee shall thereafter be replaced by a person to be elected**
20 **as trustee by the retirants of the system.**

21 3. Trustees shall be chosen for terms of four years from the first day of January next
22 following their election or appointment~~]; except that of the first board shall all be appointed~~
23 ~~by the governor by and with the consent of the senate, as follows:~~

24 ~~(1) Three persons who are officers or officials of political subdivisions, one for a term~~
25 ~~of three years, one for a term of two years, and one for a term of one year; and~~

26 ~~(2) Three persons who are employees of political subdivisions and who would, if the~~
27 ~~subdivision by which they are employed becomes an employer, be eligible as members, one~~
28 ~~for a term of three years, one for a term of two years, and one for a term of one year; and~~

29 ~~(3) That person appointed by the governor under the provisions of subsection 2 of this~~
30 ~~section. All the members of the first board shall take office as soon as appointed by the~~
31 ~~governor, but their terms shall be computed from the first day of January next following their~~
32 ~~appointment, and only one member may be from any political subdivision or be a policeman~~
33 ~~or fireman].~~

34 4. Successor trustees elected or appointed as member trustees shall be members of the
35 retirement system; provided, that not more than one ~~[member]~~ trustee shall be employed by
36 any one employer, and not more than one ~~[member]~~ trustee shall be a policeman, and not
37 more than one ~~[member]~~ trustee shall be a fireman, **and not more than one trustee shall be**
38 **public safety personnel as described in section 70.631.**

39 5. **For terms beginning on or after January 1, 2025,** successor trustees elected as
40 employer trustees shall be elected or appointed officials of **the governing bodies of the**
41 employers ~~[and shall not be members of the retirement system]~~ **or executive level employees**
42 **certified by the governing bodies of the employers;** provided, that not more than one
43 ~~[employer]~~ trustee shall be from any one employer, **and not more than one trustee shall be**
44 **a policeman, and not more than one trustee shall be a fireman, and not more than one**
45 **trustee shall be public safety personnel as described in section 70.631.**

46 6. ~~[An annual meeting of the retirement system shall be called by the board in the last~~
47 ~~calendar quarter of each year in Jefferson City, or at such place as the board shall determine,~~
48 ~~for the purpose of electing trustees and to transact such other business as may be required for~~
49 ~~the proper operation of the system. Notice of such meeting shall be sent by registered mail to~~
50 ~~the clerk or secretary of each employer not less than thirty days prior to the date of such~~
51 ~~meeting. The governing body of each employer shall certify to the board the name of one~~
52 ~~delegate who shall be an officer of the employer, and the members of the employer shall~~
53 ~~certify to the board a member of the employer to represent such employer at such meeting.~~
54 ~~The delegate certified as member delegate shall be elected by secret ballot by the members of~~

55 ~~such employer, and the clerk or secretary of each employer shall be charged with the duty of~~
56 ~~conducting such election in a manner which will permit each member to vote in such election.~~
57 ~~Under such rules and regulations as the board shall adopt, approved by the delegates, the~~
58 ~~member delegates shall elect a member trustee for each such position on the board to be~~
59 ~~filled, and the officer delegates shall elect an employer trustee for each such position on the~~
60 ~~board to be filled]~~ **Successor trustees elected as retiree trustees shall be retirants of the**
61 **system pursuant to sections 70.600 to 70.755.**

62 **7. The elections of the trustees shall be arranged for and managed and**
63 **conducted by the board of trustees of the retirement system.**

64 **8.** In the event any [~~member trustee ceases to be a member of the retirement system,~~
65 ~~or any employer trustee ceases to be an appointed or elected official of an employer, or~~
66 ~~becomes a member of the retirement system, or if the trustee appointed by the governor~~
67 ~~becomes a member of the retirement system or an elected or appointed official of a political~~
68 ~~subdivision]~~ **trustee ceases to meet the eligibility requirements pursuant to this section,**
69 or if any trustee fails to attend three consecutive meetings of the board, unless in each case
70 excused for cause by the remaining trustees attending such meeting or meetings, he or she
71 shall be considered as having resigned from the board and the board shall, by resolution,
72 declare his or her office of trustee vacated. If a vacancy occurs in the office of trustee, the
73 vacancy shall be filled for the unexpired term in the same manner as the office was previously
74 filled; provided, however, that the remaining trustees may fill employer and member trustee
75 vacancies on the board until the next [~~annual meeting]~~ **election.**

76 **[8-] 9.** Each trustee shall be commissioned by the governor, and before entering upon
77 the duties of his office, shall take and subscribe to an oath or affirmation to support the
78 Constitution of the United States, and of the state of Missouri, and to demean himself
79 faithfully in his or her office. Such oath as subscribed to shall be filed in the office of the
80 secretary of state of this state.

81 **[9-] 10.** Each trustee shall be entitled to one vote in the board of trustees. Four votes
82 shall be necessary for a decision by the trustees at any meeting of the board of trustees. Four
83 trustees[~~, of whom at least two shall be member trustees and at least two shall be employer~~
84 ~~trustees,~~] shall constitute a quorum at any meeting of the board. Unless otherwise expressly
85 provided herein, a meeting need not be called or held to make any decision on a matter before
86 the board. Each member must be sent by the executive secretary a copy of the matter to be
87 decided with full information from the files of the board. The concurring decisions of four
88 trustees may decide the issue by signing a document declaring their decision and sending the
89 written instrument to the executive secretary, provided that no other trustee shall send a
90 dissenting decision to the executive secretary within fifteen days after the document and
91 information was mailed to him or her. If any trustee is not in agreement with the four trustees,

92 the matter is to be passed on at a regular board meeting or a special meeting called for that
93 purpose. The board shall hold regular meetings at least once each quarter, the dates of these
94 meetings to be designated in the rules and regulations adopted by the board. Other meetings
95 as deemed necessary may be called by the ~~[chairman]~~ **chairperson** or by any four trustees
96 acting jointly.

97 ~~[10.]~~ **11.** The board of trustees shall elect one of their number as ~~[chairman]~~
98 **chairperson**, and one of their number as vice ~~[chairman]~~ **chairperson**, and shall employ an
99 executive secretary, not one of their number, who shall be the executive officer of the board.
100 Other employees of the board shall be chosen only upon the recommendation of the executive
101 secretary.

102 ~~[11.]~~ **12.** The board shall appoint an actuary or a firm of actuaries as technical advisor
103 to the board on matters regarding the operation of the system on an actuarial basis. The
104 actuary or actuaries shall perform such duties as are required of him or her under sections
105 70.600 to 70.755, and as are from time to time required by the board.

106 ~~[12.]~~ **13.** The board may appoint an attorney-at-law or firm of attorneys-at-law to be
107 the legal advisor of the board and to represent the board in all legal proceedings.

108 ~~[13.]~~ **14.** The board may appoint an investment counselor to be the investment advisor
109 of the board.

110 ~~[14.]~~ **15.** The board shall from time to time, after receiving the advice of its actuary,
111 adopt such mortality and other tables of experience, and a rate or rates of regular interest, as
112 shall be necessary for the actuarial requirements of the system, and shall require its executive
113 secretary to keep in convenient form such data as shall be necessary for actuarial
114 investigations of the experience of the system, and such data as shall be necessary for the
115 annual actuarial valuations of the system.

116 ~~[15.]~~ **16.** The board shall keep a record of its proceedings, which shall be open to
117 public inspection. It shall prepare annually and render to each employer a report showing the
118 financial condition of the system as of the preceding June thirtieth. The report shall contain,
119 but shall not be limited to, a financial balance sheet; a statement of income and
120 disbursements; a detailed statement of investments acquired and disposed of during the
121 year, together with a detailed statement of the annual rates of investment income from all
122 assets and from each type of investment; an actuarial balance sheet prepared by means of the
123 last valuation of the system, and such other data as the board shall deem necessary or
124 desirable for a proper understanding of the condition of the system.

125 ~~[16.]~~ **17.** The board of trustees shall, after reasonable notice to all interested parties,
126 conduct administrative hearings to hear and decide questions arising from the administration
127 of sections 70.600 to 70.755; except, that such hearings may be conducted by a hearing
128 officer who shall be appointed by the board. The hearing officer shall preside at the hearing

129 and hear all evidence and rule on the admissibility of evidence. The hearing officer shall
130 make recommended findings of fact and may make recommended conclusions of law to the
131 board. All final orders or determinations or other final actions by the board shall be approved
132 in writing by at least four members of the board. Any board member approving in writing
133 any final order, determination or other final action, who did not attend the hearing, shall do so
134 only after certifying that he or she reviewed all exhibits and read the entire transcript of the
135 hearing. Within thirty days after a decision or order or final action of the board, any member,
136 retirant, beneficiary or political subdivision adversely affected by that determination or order
137 or final action may take an appeal under the provisions of chapter 536. Jurisdiction over any
138 dispute regarding the interpretation of sections 70.600 to 70.755 and the determinations
139 required thereunder shall lie in the circuit court of Cole County.

140 ~~[17.]~~ **18.** The board shall arrange for adequate surety bonds covering the executive
141 secretary and any other custodian of the funds or investments of the board. When approved
142 by the board, said bonds shall be deposited in the office of the secretary of state.

143 ~~[18.]~~ **19.** The board shall arrange for annual audits of the records and accounts of the
144 system by a certified public accountant or by a firm of certified public accountants.

145 ~~[19.]~~ **20.** The headquarters of the retirement system shall be in Jefferson City.

146 ~~[20.]~~ **21.** The board of trustees shall serve as trustees without compensation for their
147 services as such; except that each trustee shall be paid for any necessary expenses incurred in
148 attending meetings of the board or in the performance of other duties authorized by the board.

149 ~~[21.]~~ **22.** Subject to the limitations of sections 70.600 to 70.755, the board shall
150 formulate and adopt rules and regulations for the government of its own proceedings and for
151 the administration of the retirement system.

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