

2019 -- H 5242

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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2019

A N A C T

RELATING TO TOWNS AND CITIES - PATHWAY TO RETIREMENT SECURITY ACT
FOR LOCALLY ADMINISTERED PENSION FUNDS

Introduced By: Representatives Vella-Wilkinson, Millea, Corvese, O'Brien, and
Casimiro

Date Introduced: January 31, 2019

Referred To: House Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Chapter 45-65 of the General Laws entitled "Retirement Security Act for
2 Locally Administered Pension Funds" is hereby amended by adding thereto the following section:

3 **45-65-11. Diversion of pension funds.**

4 (a) Subject to the provisions of subsection (b) of this section, a municipality shall not
5 divert existing pension funds or funds necessary for its contributions to the plan to the state.

6 (b) In the event that an emergency or unforeseen circumstance prevents a municipality
7 from making a required contribution to its plan, or requires the municipality to divert pension
8 funds to the state, then in that event the nonpayment or diversion of funds shall require, after a
9 public hearing, the approval of the town or city council, or applicable decision-making body. All
10 employees of the plan shall be provided with a minimum of thirty (30) days written notice of the
11 public hearing.

12 SECTION 2. This act shall take effect upon passage.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF

A N A C T

RELATING TO TOWNS AND CITIES - PATHWAY TO RETIREMENT SECURITY ACT
FOR LOCALLY ADMINISTERED PENSION FUNDS

1 This act would provide that municipal pension funds may only be diverted to the state
2 upon the occurrence of emergency or unforeseen circumstances, and upon approval of the
3 applicable decision-making body after a public hearing, and a minimum of thirty (30) days prior
4 written notice to affected employees.

5 This act would take effect upon passage.

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