

State of Arkansas  
95th General Assembly  
Regular Session, 2025

## A Bill

SENATE BILL 553

By: Senator K. Hammer  
By: Representative Milligan

### For An Act To Be Entitled

AN ACT TO AMEND THE ARKANSAS MUNICIPAL ACCOUNTING LAW; TO AMEND THE DUTIES OF A MUNICIPAL TREASURER; TO REQUIRE TRAINING FOR AN INDIVIDUAL CHARGED WITH DUTIES UNDER THE ARKANSAS MUNICIPAL ACCOUNTING LAW; AND FOR OTHER PURPOSES.

### Subtitle

TO AMEND THE ARKANSAS MUNICIPAL ACCOUNTING LAW; TO AMEND THE DUTIES OF A MUNICIPAL TREASURER; AND TO REQUIRE TRAINING FOR AN INDIVIDUAL CHARGED WITH DUTIES UNDER THE ARKANSAS MUNICIPAL ACCOUNTING LAW.

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

SECTION 1. Arkansas Code § 14-59-115 is amended to read as follows:  
14-59-115. Duties of municipal treasurer.

(a)(1) A municipal treasurer, whether elected or appointed, shall complete eight (8) hours of training provided by the Arkansas Municipal League in cooperation with Arkansas Legislative Audit.

(2)(A) A newly elected or appointed municipal treasurer shall complete the training required under this subsection within one hundred eighty (180) days of taking office.

(B) If the municipal treasurer fails to obtain the required training under this subsection within one hundred eighty (180) days of taking office, the municipality is in noncompliance with this chapter



until the municipal treasurer completes the training.

(b)(1) The curriculum for the mandatory training under subsection (a) of this section shall be established by the Arkansas Municipal League in cooperation with Arkansas Legislative Audit.

(2) The curriculum for the mandatory training under subsection (a) of this section shall provide at least eight (8) hours of training.

(c) Each municipal treasurer of this state or the designated representative that has been approved by the governing body shall submit a monthly financial report to the council or board of directors.

~~(b)~~ (d)(1) Municipal treasurers shall maintain the accounting records prescribed in this chapter and other duties that may be prescribed by ordinance.

(2)(A)(i) If the municipal treasurer does not comply with this chapter or requests that specific duties be assigned to another employee or contracting entity, the governing body of a municipality may assign specific duties outlined in this chapter to another employee, or it may contract for the services to be performed by a private, qualified person or entity.

(ii) As used in this subdivision (d)(2)(A), "private, qualified person" means a person who, at minimum, is a resident of Arkansas and has:

(a) Previous experience in government or municipal accounting in Arkansas; or

(b) Received the training under subsection (a) of this section.

(iii) Any other employee or private person contracted with by the municipality to take on specific duties outlined in this chapter shall obtain the training required under subsection (a) of this section within one hundred eighty (180) days of taking on the duties assigned.

(iv)(a)(1) Before the governing body of a municipality assigns or contracts with a private, qualified person or entity for the disbursing of funds, the governing body of a municipality shall establish by ordinance a method that provides for internal accounting controls and documentation for audit and accounting purposes.

(2) The municipal treasurer shall approve the disbursement of funds before the private, qualified person or

entity disburses the funds.

(b) The governing body of a municipality shall ensure that the private, qualified person or entity is adequately insured and bonded and conforms to best practices and standards in the industry.

(B)(i) The governing body of a municipality may not assign duties relating to the collecting of funds to anyone other than an employee of the municipality.

(ii) The governing body of a municipality may assign or contract with a private, qualified person or entity for the duties relating to the disbursing of funds for payroll, bonded debt, or construction projects funded with bond proceeds.

SECTION 2. Arkansas Code § 14-59-117(b), concerning withholdings of turnback funds for noncompliance for municipal accounting, is amended to read as follows:

(b)(1) Upon notification of noncompliance by Arkansas Legislative Audit, the Legislative Joint Auditing Committee shall notify in writing the mayor and the city council or town council that the municipality's accounting records do not substantially comply with this chapter.

(2)(A) Upon notification by the Legislative Joint Auditing Committee of noncompliance by the municipal treasurer under § 14-59-115(a), the governing body of the municipality shall require the treasurer to attend the training as described under § 14-59-115(a).

(B) The minutes of the governing body of the municipality shall reflect receipt of the Legislative Joint Auditing Committee notification under subdivision (b)(2) of this section and the subsequent municipal treasurer training requirement.

(3) The municipality has sixty (60) days after the date of notification to bring the accounting records into substantial compliance with this chapter.

~~(3)~~ (4)(A) After the sixty (60) days allowed for compliance or upon request by the appropriate municipal officials, Arkansas Legislative Audit shall review the records to determine if the municipality substantially complies with this chapter.

(B) Arkansas Legislative Audit shall report its findings to the Legislative Joint Auditing Committee.

SECTION 3. Arkansas Code § 14-59-117(c)(2), concerning withholdings of turnback funds for noncompliance for municipal accounting, is amended to read as follows:

(2) If the municipality has not achieved substantial compliance within the sixty-day period, the governing body of the municipality shall assign specific duties outlined in this chapter to another employee or shall contract for the services to be performed by a private, qualified person or entity as described under § 14-59-115.

SECTION 4. DO NOT CODIFY. Effective Date.

This act is effective on and after July 1, 2026.

**APPROVED: 4/16/25**