

Stricken language would be deleted from and underlined language would be added to present law.

State of Arkansas
89th General Assembly
Regular Session, 2013

A Bill

HOUSE BILL 1393

By: Representative Baltz

For An Act To Be Entitled

AN ACT TO AMEND THE LAW CONCERNING CERTAIN COUNTY AND MUNICIPAL PUBLIC FINANCE MATTERS; AND FOR OTHER PURPOSES.

Subtitle

TO AMEND THE LAW CONCERNING CERTAIN COUNTY AND MUNICIPAL PUBLIC FINANCE MATTERS.

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

SECTION 1. Arkansas Code § 19-8-107 is amended to read as follows:

19-8-107. Depository agreements.

(a)(1) After the receipt from the Bank Commissioner of the list of banks or banking institutions and recommended amounts of public funds each may accept, the depository boards shall:

~~(A) designate~~ Designate the banks or banking institutions ~~in~~ into which the funds shall be deposited and ~~shall~~

(B) With each bank or banking institution designated under subdivision (a)(1)(A) of this section, enter into a depository agreement and any supplemental agreements under subsection (c) needed to perfect security of public deposits not fully insured directly by the United States with each designated institution.

(2) The depository boards may at any time enter into depository agreements with any new bank chartered if the bank is certified by the commissioner as being eligible as a depository of public funds under the laws of this state. The certificate shall contain the recommended amount of



public funds the bank may accept.

~~(3)(A) All county and municipal depository agreements shall be entered into using standardized forms provided by the State Board of Finance.~~

~~(B) The forms shall include language necessary to create an enforceable perfected security interest in all collateral for deposits.~~

~~(C) Depository boards and banks or banking institutions giving or holding collateral for deposits of public funds shall comply with federal law so that the governmental entity or political subdivision depositing public funds will hold a valid claim in deposits and collateral given for those deposits against and prevent avoidance of such a claim by the Federal Deposit Insurance Corporation or its successor or any similar deposit insurance agency acting as receiver, conservator, or in any other capacity.~~

~~(b)(3)~~ All depository agreements shall continue in full force until the bank or banking institution receives written notice of revocation by the depository board or until there is a change of membership on the depository board.

~~(e)(b)(1)~~ The treasurers or other public officials or other persons having custody of these funds shall deposit them into the designated depositories.

(2) The depositing of these funds into the designated depositories shall relieve the public officer or other person and his or her sureties from any liability for the loss of the funds by reason of the default or insolvency of any depository.

(3) County officials shall make timely deposit and investment of public funds to earn optimum interest consistent with the prudent investor rule ~~for investments as~~ defined by Arkansas law.

~~(d)(c)(1)~~ County and municipal officials shall:

~~(A) require~~ Require security for the deposit ~~or investment~~ of public funds in the form of a demand deposit, a savings deposit, or a time deposit for amounts not fully insured directly by the United States; and

~~(B) Enter into supplemental agreements with each depository banking institution that satisfy the requirements of this subsection.~~

(2)(A) The State Board of Finance shall make available upon request to any county or municipality sample depository agreement forms and any necessary supplemental agreement forms required for collateralizing

public funds.

(B) The forms shall include language necessary to create an enforceable perfected security interest in all collateral for deposits.

(3) Depository boards and banks or banking institutions giving or holding collateral for deposits of public funds shall comply with federal laws and regulations so that the governmental entity or political subdivision depositing public funds holds a valid claim in deposits and collateral given for those deposits against, and prevent avoidance of such a claim by, the Federal Deposit Insurance Corporation or its successor or any similar deposit insurance agency acting as receiver, conservator, or in any other capacity.

~~(2)~~(4) All security required under this subsection shall meet the requirements of an eligible security under §§ 19-8-203 and 23-47-203(c).

~~(3)~~(5) Public officials may require as a condition for placing deposits or keeping funds on deposit such financial data as they need to make an informed decision, including without limitation quarterly financial statements, quarterly profit and loss statements, and tangible net worth or capital-to-assets ratios.

SECTION 2. Arkansas Code § 21-6-310 is amended to read as follows:

21-6-310. Officers and employees generally -- Disposition of funds.

(a) All fees, fines, penalties, and other moneys collected by any county officer, deputy, or county employee shall be deposited with the county treasurer on the first day of each month or within ~~five~~~~(5)~~ ten (10) days thereafter, and, unless otherwise provided by law, shall be placed in the county general fund.

(b) The county treasurer shall keep a complete and accurate record of the receipt of such moneys and shall provide a written receipt to the person or office making such a deposit.