

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

State of Arkansas
92nd General Assembly
Regular Session, 2019

As Engrossed: S2/18/19
A Bill

HOUSE BILL 1375

By: Representative Speaks
By: Senator J. Sturch

For An Act To Be Entitled

AN ACT TO AMEND THE LAW CONCERNING THE FINANCIAL
OPERATIONS OF A COUNTY; AND FOR OTHER PURPOSES.

Subtitle

TO AMEND THE LAW CONCERNING THE FINANCIAL
OPERATIONS OF A COUNTY.

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

SECTION 1. Arkansas Code § 14-15-805 is amended to read as follows:
14-15-805. Duties generally.

~~(a)~~ It shall be the duty of each county treasurer to:

(1)(A) receive ~~Receive~~ and give receipt for all moneys payable into the county treasury and to pay and disburse the moneys on warrants or checks drawn by order of the county court.

(B) Any nonrevenue receipts as defined in § 21-6-302(f)(2) shall be deposited into the same county fund from which the original expenditure was made;

~~(b)(2)(A) It shall be the duty of each county treasurer to refuse~~ Refuse payment of any warrant or check that would cause a deficit balance in any ~~"special revenue"~~ special revenue account without an appropriated transfer of general funds to cover the deficit, except as provided in this section.

(B)(i) A grant account that operates as a reimbursable grant fund may operate with a deficit balance if there is a county general fund cash balance or an appropriate special revenue fund cash balance



sufficient to support the deficit.

(ii) When the grant moneys are received by the county, the moneys shall be receipted to the proper grant fund by the county treasurer.

(iii) Any remaining deficit balance at the conclusion of the grant cycle shall be brought to a zero balance with an appropriated transfer of general funds or an appropriated transfer from the applicable special revenue fund; and

~~(e)(3)(A) It shall be the duty of each county treasurer to maintain~~
Maintain a positive "general fund balance" general fund balance.

(B) The general fund shall include county general and any other ledger account on the treasurer's books accruable to county general.

(C) The treasurer shall refuse payment of any warrant or check that would cause a deficit balance of the general fund in aggregate.

SECTION 2. Arkansas Code § 14-20-105 is amended to read as follows:
14-20-105. Monthly treasurer's report.

The county treasurer or the county comptroller shall submit each month to the county quorum court a full report and a detailed statement of the financial condition of the county, showing receipts, disbursements, and balance on hand.

SECTION 3. Arkansas Code § 14-71-101(c), concerning county accounting methods, is amended to read as follows:

(c)(1) Obligations incurred by a county on or before the end of the fiscal year that are not issued an accounts payable claim until the following fiscal year shall be posted to the prior fiscal year appropriations journal when paid within the first two (2) months of the following fiscal year.

(2)(A) Revenues collected and owed to a county treasury before the end of the fiscal year and not remitted to the county treasury until the following fiscal year are accruable to the prior fiscal year when receipted by the county treasurer within the first two (2) months of the following fiscal year, except as provided in subdivision (c)(2)(C) of this section.

(B) Moneys received by the respective counties from the County Aid Fund are revenues of the year in which the moneys are received and are not revenues of the year in which the moneys were collected and paid

into the State Treasury.

(C) Moneys received by the respective counties from the Treasurer of State representing county sales and use taxes are revenues of the year in which the moneys are received and are not revenues of the year in which the moneys were collected and paid into the State Treasury.

SECTION 4. 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~~ eligible for public deposits, the depository boards shall:

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

(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) of this section needed to perfect security of public deposits not fully insured directly by the United States.

(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 depository agreements and supplemental agreements required for creating an enforceable perfected security in collateral for deposits of public funds 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 as prescribed in this subsection.

(B) Depository agreements and supplemental agreements required to create an enforceable perfected security in collateral for deposits shall be updated at the time a new treasurer takes office.

(C) Except as provided under subdivision (a)(3)(A) of this section, agreements required to be signed by all members of a depository board shall be changed at the time of membership change on the depository board.

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

(2) The depositing of ~~these funds~~ public funds as required under subdivision (b)(1) of this section 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 public 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 defined by Arkansas law.

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

(A) Require security for the deposit 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~~ Treasurer of State shall make available upon request to any county or municipality ~~sample~~ fillable depository agreement forms designed for county and municipal governments 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.

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

(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 5. Arkansas Code § 21-6-302(b), concerning the commission of a county treasurer, is amended to read as follows:

(b) Unless otherwise provided under subdivision (f)(1) of this section or subsection (g) of this section or under § 6-13-701, § 6-17-908, § 6-20-221, § 8-15-111, § 14-90-913, § 14-174-109, § 14-284-403, or § ~~19-5-1096~~ 19-5-1207, the county treasurers shall collect, as a treasurer's commission, two percent (2%) on all funds coming into their hands as treasurers and to be paid out of the respective funds.

SECTION 6. Arkansas Code § 26-37-102 is amended to read as follows:

26-37-102. Publication of notice – Fee.

(a) The county collector in each county shall, not less than thirty (30) days nor more than forty (40) days prior to the certification of the land, ~~cause to be published~~ publish in a newspaper of general circulation in the county:

- (1) A list of real property not previously redeemed;
- (2) The names of the owners of record;
- (3) The amount of the taxes, penalties, interest, and cost necessary to be paid to redeem the property;
- (4) The date upon which such period of redemption expires; and
- (5) Notice that unless the property is redeemed prior to the expiration of the period of redemption, the lands will be forfeited to the state.

(b) Fees for the publication shall be the same as set forth in § ~~26-37-108 [repealed]~~ 26-37-107.

SECTION 7. Arkansas Code § 26-39-201(a)(1), concerning time for payment, is amended to read as follows:

(a)(1) A county clerk, probate clerk, circuit clerk, county sheriff, county collector, or any other county official shall pay over to the county treasurer on the first of each month, or within ten (10) ~~working~~ days thereafter, all funds in his or her possession belonging to the county or its

subdivisions that are by law required to be paid into the county treasury, whether taxes, fines, or any moneys that are collected for any purpose by law and belonging to the county.

/s/Speaks