

State of Arkansas
95th General Assembly
Regular Session, 2025

A Bill

HOUSE BILL 1311

By: Representative Lundstrum

By: Senator J. Petty

For An Act To Be Entitled

AN ACT TO DIRECT THE LEGISLATIVE AUDITOR TO DEVELOP A COMPREHENSIVE FINANCIAL MANAGEMENT SYSTEM FOR APPROPRIATED FUNDS OF CITIES OF THE SECOND CLASS AND INCORPORATED TOWNS AND TO PROVIDE FOR THE IMPLEMENTATION OF THE SYSTEM IN THE VARIOUS CITIES AND TOWNS; AND FOR OTHER PURPOSES.

Subtitle

TO DIRECT THE LEGISLATIVE AUDITOR TO DEVELOP A COMPREHENSIVE FINANCIAL MANAGEMENT SYSTEM FOR APPROPRIATED FUNDS OF CITIES OF THE SECOND CLASS AND INCORPORATED TOWNS.

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

SECTION 1. Arkansas Code Title 14, Chapter 59, Subchapter 1, is amended to add an additional section to read as follows:

14-59-120. Uniform chart of accounts.

(a)(1) The Legislative Auditor shall develop a comprehensive financial management system, to be known as the "uniform chart of accounts", for appropriated funds of cities of the second class and incorporated towns.

(2) The purpose of the uniform chart of accounts is to provide necessary financial information for the mayors, councils, and other interested officers and departments of cities of the second class and incorporated towns.

(b) In developing the uniform of chart of accounts under this section,



the Legislative Auditor shall:

(1) Provide for a uniform account coding structure over revenues, expenditures, and balances to assure that current information will always be available concerning the financial condition of cities of the second class and incorporated towns and their various offices and departments; and

(2) Include without limitation budgeting and fund classification aspects designed to classify the receipt of funds and the appropriations and disbursements of funds in accordance with the object and purpose of the expenditures in sufficient detail to:

(A) Be suitable for an analysis of the operations of all offices and departments of cities of the second class and incorporated towns; and

(B) Provide a breakdown and itemization of all expenditures compatible with and comparable to the appropriations of councils of cities of the second class and incorporated towns.

SECTION 2. TEMPORARY LANGUAGE. DO NOT CODIFY. No later than thirty-six (36) months following the effective date of this act, the Legislative Auditor shall develop and complete a process for phasing in the use of the uniform chart of accounts under § 14-59-120.