

1 State of Arkansas  
2 92nd General Assembly  
3 Regular Session, 2019  
4

As Engrossed: S2/18/19

# A Bill

HOUSE BILL 1375

5 By: Representative Speaks  
6 By: Senator J. Sturch  
7

## For An Act To Be Entitled

9 AN ACT TO AMEND THE LAW CONCERNING THE FINANCIAL  
10 OPERATIONS OF A COUNTY; AND FOR OTHER PURPOSES.  
11

## Subtitle

14 TO AMEND THE LAW CONCERNING THE FINANCIAL  
15 OPERATIONS OF A COUNTY.  
16  
17

18 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
19

20 SECTION 1. Arkansas Code § 14-15-805 is amended to read as follows:  
21 14-15-805. Duties generally.

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

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

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

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

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



1 sufficient to support the deficit.

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

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

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

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

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

15  
 16 SECTION 2. Arkansas Code § 14-20-105 is amended to read as follows:

17 14-20-105. Monthly treasurer's report.

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

22  
 23 SECTION 3. Arkansas Code § 14-71-101(c), concerning county accounting  
 24 methods, is amended to read as follows:

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

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

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

1 into the State Treasury.

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

6  
7 SECTION 4. Arkansas Code § 19-8-107 is amended to read as follows:  
8 19-8-107. Depository agreements.

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

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

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

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

24 (3)(A) All depository agreements and supplemental agreements  
25 required for creating an enforceable perfected security in collateral for  
26 deposits of public funds shall continue in full force until the bank or  
27 banking institution receives written notice of revocation by the depository  
28 board or until there is a change of membership on the depository board as  
29 prescribed in this subsection.

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

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

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

4 (2) The depositing of ~~these funds~~ public funds as required under  
5 subdivision (b)(1) of this section into the designated depositories shall  
6 relieve the public officer or other person and his or her sureties from any  
7 liability for the loss of the public funds by reason of the default or  
8 insolvency of any depository.

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

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

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

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

19 (2)(A) The ~~State Board of Finance~~ Treasurer of State shall make  
20 available upon request to any county or municipality ~~sample~~ fillable  
21 depository agreement forms designed for county and municipal governments and  
22 any necessary supplemental agreement forms required for collateralizing  
23 public funds.

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

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

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

35 (5) Public officials may require as a condition for placing  
36 deposits or keeping funds on deposit such financial data as they need to make

1 an informed decision, including without limitation quarterly financial  
2 statements, quarterly profit and loss statements, and tangible net worth or  
3 capital-to-assets ratios.

4  
5 SECTION 5. Arkansas Code § 21-6-302(b), concerning the commission of a  
6 county treasurer, is amended to read as follows:

7 (b) Unless otherwise provided under subdivision (f)(1) of this section  
8 or subsection (g) of this section or under § 6-13-701, § 6-17-908, § 6-20-  
9 221, § 8-15-111, § 14-90-913, § 14-174-109, § 14-284-403, or § ~~19-5-1096~~ 19-  
10 5-1207, the county treasurers shall collect, as a treasurer's commission, two  
11 percent (2%) on all funds coming into their hands as treasurers and to be  
12 paid out of the respective funds.

13  
14 SECTION 6. Arkansas Code § 26-37-102 is amended to read as follows:

15 26-37-102. Publication of notice – Fee.

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

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

28 (b) Fees for the publication shall be the same as set forth in § ~~26-~~  
29 ~~37-108 [repealed]~~ 26-37-107.

30  
31 SECTION 7. Arkansas Code § 26-39-201(a)(1), concerning time for  
32 payment, is amended to read as follows:

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

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

4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30  
31  
32  
33  
34  
35  
36

*/s/Speaks*

**APPROVED: 3/5/19**