

1 **State of Arkansas**
2 **80th General Assembly**
3 **Regular Session, 1995**
4 **By: Representative Davis**

A Bill

ACT 233 OF 1995
HOUSE BILL 1205

For An Act To Be Entitled

8 "AN ACT TO AMEND AND REPEAL VARIOUS SECTIONS OF TITLE 6 OF
9 THE ARKANSAS CODE AS THEY RELATE TO COUNTY TREASURERS AND
10 SCHOOL DISTRICT TREASURERS; AND FOR OTHER PURPOSES."

Subtitle

13 "AMEND AND REPEAL SECTIONS OF ARKANSAS
14 CODE RELATING TO COUNTY TREASURERS AND
15 SCHOOL DISTRICT TREASURERS."

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

19 SECTION 1. Arkansas Code 6-13-620 is amended to read as follows:

20 "6-13-620. Powers and duties.

21 The board of directors of each school district in the state shall be
22 charged with the following powers and perform the following duties:

23 (1) Have the care and custody of the schoolhouse, grounds, and other
24 property belonging to the district and shall keep it in good repair and in
25 sanitary and sightly condition;

26 (2) Lease sixteenth section lands located in the school district,
27 individually or in conjunction with the other boards of directors of other
28 school districts interested in the sixteenth section, as the case may be;

29 (3) Purchase buildings or rent schoolhouses and sites therefor and
30 sell, rent, or exchange such sites or schoolhouses. Provided, that, in the
31 selection of any school site or the erection of any schoolhouse outside of an
32 incorporated town or city that contains two thousand five hundred (2,500) or
33 more inhabitants, the selection or erection shall be approved by the county
34 board of education before the contract for securing the site or contract for
35 building the schoolhouse is made;

36 (4) (A) Employ teachers and other employees necessary for the proper

1 conduct of the public schools of the district and make written contracts with
2 teachers and all other employees in the form prescribed by the State Board of
3 Education.

4 (B) There shall be four (4) copies of each contract made:

5 (i) One (1) copy to be retained by the board;

6 (ii) One (1) copy to be given to the employee;

7 (iii) One (1) copy to be forwarded to the county treasurer if
8 the county treasurer serves as treasurer for the school district; and

9 (iv) One (1) copy to be filed with the county board or the
10 board's designee.

11 (C) Relationship by any degree of affinity or consanguinity to a
12 member of the county board of education shall in no way prejudice the
13 employment or hiring of anyone by a school board or public school district.

14 (D) The issuing of annual contracts to personnel other than
15 substitute teachers employed on a daily basis and teachers shall be in writing
16 and shall recite the duration of employment, specific duties, and annual
17 salary;

18 (5) See that all subjects for study prescribed by the State Board of
19 Education or by law for all grades of schools in their district are taught;

20 (6) Procure from the county board or the board's designee all forms for
21 each teacher at the commencement of the school term, including a register and
22 such other forms and blanks and supplies as are required by law to be
23 furnished to the teachers;

24 (7) Visit the schools frequently, see to the welfare of the pupils,
25 encourage them in their studies, and assist the teachers in the work so far as
26 they can;

27 (8) Prepare, send a copy thereof to the county board of education, and
28 publish once a week for three (3) consecutive weeks in a newspaper published
29 in the county at least twenty-five (25) days before the annual election an
30 estimate of the amount of money needed by the district for the ensuing year,
31 showing separately the amount needed for general control, instruction,
32 operation of the plant, maintenance of the plant, auxiliary agencies, fixed
33 charges, capital outlay, and debt service;

34 (9) Issue warrants on the county treasurer, when the county treasurer
35 serves as treasurer of the school district, in accordance with the provisions

1 of this act for the payment of salaries due teachers and other employees, and
2 for any other lawful purposes, and state in the warrants the consideration for
3 which each is drawn, provided that the issuance of the warrants for the
4 purposes set out in subdivision (11) of this section shall be governed by the
5 penalty therein set out. The warrant shall be in the form approved by the
6 State Board of Education;

7 (10) Obtain from the county collector and county treasurer information
8 from time to time as to the state of finances of their school district and
9 keep their expenditures safely within the means of the district;

10 (11) Buy and pay for out of district school funds supplies such as
11 fuel, crayons, charts, globes, dictionaries, etc., which may be necessary for
12 the efficient operation of the schools, provided that, for schools except for
13 those in cities having two thousand five hundred (2,500) or more population,
14 the supplies meet the approval of the county board or the board's designee in
15 price and merit, and provided further that no warrants shall be issued by any
16 school board for the payment of the supplies or services set out in this
17 subdivision until the supplies or services shall have been delivered to the
18 school. If any school board or any part of the directors of any school board
19 in the State of Arkansas shall issue warrants in payment of supplies or
20 services prior to the delivery of the supplies or services to the school, and
21 the school district suffers any loss because of the failure of the seller to
22 deliver the supplies or services or because of the defective quality of the
23 supplies or services or for any other reason, then the directors shall be
24 personally liable to the school district for the total amount of loss suffered
25 by the district;

26 (12) (A) If in any school district it should be apparent that the
27 schools cannot be operated for the remainder of the school year without
28 incurring more indebtedness than that represented by outstanding bonds and
29 those that may be issued for buildings, equipment for the school buildings,
30 purchasing sites, and repairing school buildings, or the improvement of sites,
31 it shall be the duty of the school district board of directors to close the
32 school and cease paying the teachers for the remainder of that fiscal year;
33 each contract made with the teachers shall be subject to that contingency, and
34 the district shall not be liable for teachers' salaries for the time the
35 school is so closed.

1 (B) Should any director participate in keeping a school open and
2 incurring additional expenses which would cause increased indebtedness of the
3 district herein prohibited, he shall be liable personally for the amount of
4 such additional indebtedness.

5 (C) However, in cases of emergency, the State Board of Education
6 may grant special permission to a district to create temporary current
7 indebtedness.

8 (D) Nothing herein shall prevent any school district board of
9 directors from borrowing money from banks, individuals, or from next year's
10 revenue in order to provide funds in such amount that the maximum nonbonded
11 indebtedness of their school district so incurred shall not be greater than
12 the maximum nonbonded indebtedness of such district was at any time during the
13 preceding fiscal year.

14 (E) If any nonbonded debt is funded by the issuance of bonds, the
15 amount so funded shall not be considered in determining the maximum amount of
16 nonbonded indebtedness during the preceding fiscal year; and

17 (13) Do all other things necessary and lawful for the conduct of
18 efficient free public schools in the district."
19

20 SECTION 2. Arkansas Code 6-13-701(a) through (d) are amended to read as
21 follow:

22 "(a) The board of directors of any school district in Arkansas is
23 authorized to appoint a treasurer to handle the funds of the district.

24 (1) The treasurer shall be appointed at a regular meeting of the
25 board.

26 (2) An executed certificate of appointment shall be filed with
27 the county clerk, the county treasurer, and the Director of the Department of
28 Finance and Administration.

29 (b) School district treasurers shall execute a surety bond in such
30 amount as may be required by the Director of the Department of Finance and
31 Administration who shall approve the bond; the premium on such bond shall be
32 paid out of the funds of the district.

33 (c) The duties of the school district treasurer shall be as follows:

34 (1) To receive and disburse funds of the school district.
35 Disbursements of such funds shall be made only upon warrants signed by the

1 president and secretary of the school district board of directors and
2 countersigned by the superintendent of schools of the district. As an
3 evidence of authority for disbursement of any funds, he shall have on hand
4 approved invoices and payrolls, such payrolls to be in conformance with
5 written contracts on file in his office;

6 (2) To keep a record of all financial transactions of the school
7 district on forms approved by the State Department of Education and the
8 Division of Legislative Audit;

9 (3) To make a monthly statement to the school district board of
10 directors of the financial condition of the district;

11 (4) To submit an annual statement of the affairs of the district
12 to the school district board of directors in July of each year;

13 (5) To make such financial reports to the county board or the
14 board's designee and to the State Department of Education as are required by
15 law;

16 (6) To not be interested directly or indirectly in any contract
17 authorized by the school district board of directors; and

18 (7) To make his records available at all times for inspection by
19 any taxpayer of the district.

20 (8) The district treasurer shall perform all duties now imposed
21 by law upon the treasurer of a school district and shall be subject to all
22 regulations.

23 (d) (1) All local taxes of the district shall be remitted to the
24 county treasurer by the collector. The county treasurer shall remit the funds
25 in a timely manner to the school district treasurer in those districts
26 maintaining a school district treasurer.

27 (2) The district treasurer shall issue duplicate receipts for all
28 funds he receives. The original shall be transmitted to the party making the
29 remittance and the duplicate shall be kept by the district treasurer.

30 (3) For the purposes of this section, activity funds means
31 those funds whose sources of revenues are from:

32 (A) The sale of tickets to athletic contests or other
33 school sponsored activities;

34 (B) The sale of food, except that which is sold in the
35 lunchroom;

1 (C) The sale of soft drinks, school supplies, and books;
2 and

3 (D) Fees charged by clubs and organizations.

4 (4) (A) All school districts may maintain activity funds and
5 school service funds at the school.

6 (B) All activity funds and school food service funds shall
7 be maintained and accounted for in accordance with guidelines and procedures
8 established by the General Education Division of the Department of Education.

9 (5) (A) The superintendent of the school maintaining activity
10 funds and school food service funds shall be the official custodian of all
11 activity funds and school service funds and shall be responsible and
12 accountable for the funds.

13 (B) By resolution adopted by a majority vote of the local
14 school district board of directors, the superintendent may appoint another
15 school employee to the co-custodian of any or all activity funds and school
16 food service funds. The co-custodian shall also be responsible and
17 accountable for activity funds and school food service funds maintained by the
18 co-custodian."

19

20 SECTION 3. Arkansas Code 6-17-907(a) and (b) are amended to read as
21 follow:

22 "(a) The county treasurer of each county in the state is directed to
23 establish for each school district for which he is treasurer the following
24 funds:

25 (1) The teachers' salary fund;

26 (2) Operating fund;

27 (3) Building fund;

28 (4) Debt service fund;

29 (5) Capital outlay fund; and

30 (6) Consolidated federal grants fund - Control.

31 (b) The county treasurer shall credit to the operating fund all other
32 revenues not earmarked for the building fund, debt service fund, capital
33 outlay fund, or consolidated federal grants fund."

34

35 SECTION 4. Arkansas Code 6-17-907 is amended by inserting an additional

1 section at the end thereof to read as follows:

2 "(m) When a school district has a district treasurer, the county
3 treasurer may establish for that district only those funds needed to credit
4 the types of revenues flowing through his office."

5

6 SECTION 5. Arkansas Code 6-17-912 is amended to read as follows:

7 "6-17-912. Advances from other funds.

8 The county treasurer, when acting in the capacity as school treasurer,
9 is authorized to make advances from one (1) fund to another upon written
10 request from the county board, or the board's designee, during the fiscal
11 year."

12

13 SECTION 6. Arkansas Code 6-17-914(c) is amended to read as follows:

14 "(c) Budgets of the school districts of the state filed as required by
15 this subchapter shall be reviewed by the Department of Education to determine
16 if the requirements of the statutes and the regulations of the State Board of
17 Education regarding the earmarking or use of school funds are being met. Upon
18 approval, copies of the approved budget shall be filed with the school
19 district, the county board of education, the county treasurer if serving as
20 school treasurer, and the Department of Education.

21

22 SECTION 7. Arkansas Code 6-17-918(b) (2) and (3) are amended to read as
23 follow:

24 "(2) Any school district board of directors by resolution adopted by
25 majority vote may designate the ex officio financial secretary as the
26 disbursing officer of the district, and no additional signature shall be
27 required on warrants.

28 (3) Such resolution must be filed with the county board of education
29 and the county treasurer, if the county treasurer serves as the school
30 district treasurer."

31

32 SECTION 8. Arkansas Code 6-17-919 is amended to read as follows:

33 "6-17-919. Warrants void without valid certificate and contract.

34 (a) All warrants issued in payment of teachers' salaries are void
35 unless:

1 (1) The teacher has a valid teacher's certificate filed with the
2 county board or with the board designee's office;

3 (2) The teacher has been employed by a valid written contract;
4 and

5 (3) Copies of such contract are on file in the offices of the
6 county treasurer or the district treasurer if the school district has its own
7 treasurer and the county board or the board's designee.

8 (b) The county board, or the board's designee, or the district
9 superintendent of schools and his surety shall be liable for any warrants
10 which he countersigns in payment of teachers' salaries unless and until there
11 is a valid teacher's certificate and contract for the teacher on file with the
12 county board or with the board's designee.

13 (c) The county treasurer or the school district treasurer if the school
14 district has its own treasurer and his surety shall be liable for all warrants
15 in payment of teachers' salaries which he pays unless and until there is a
16 valid contract on file in his office."

17

18 SECTION 9. Arkansas Code 6-17-920(d) is amended to read as follows:

19 "(d) It shall then be the duty of the county treasurer or the district
20 treasurer if the school district has its own treasurer to refuse payment of
21 warrants issued upon the contracts, and he and his surety shall be liable for
22 failure to do so."

23

24 SECTION 10. Arkansas Code 6-20-103(a)(3)(B) is amended by inserting an
25 additional paragraph at the end thereof to read as follows:

26 "(iii) If a school district uses the county treasurer as its treasurer,
27 the State of Arkansas shall forward all state and federal funds for the
28 district to the county treasurer, whether they are in the form of state
29 warrants or electronic warrants transfers."

30

31 SECTION 11. Arkansas Code 6-20-402(b)(7), (8) and (9) are amended to
32 read as follow:

33 "(7) The school fiscal officer may comply with the provisions hereof by
34 indicating on each warrant or schedule of payments attached to any installment
35 contract or lease purchase agreement the school year's revenues against which

1 each payment is to be charged, or he may use a warrant of a distinct color for
2 a particular year and shall advise the county treasurer, if the county
3 treasurer serves as the school district treasurer, in writing of the color of
4 warrant being used for credit against the revenues of a particular year.

5 (8) The county treasurer or the district treasurer if the school
6 district has its own treasurer and his surety shall be jointly liable with the
7 school fiscal officer and his surety for the payment of any school warrant or
8 payment on a contract or agreement which is charged against the revenues of a
9 school year if the amount thereof is in excess of the revenue receipts of the
10 district for the school year against which the school fiscal officer has
11 indicated the payment is to be charged or if he approved the payment with
12 knowledge that the payment is being charged by the school fiscal officer
13 against the revenues of another school year in violation of this section.

14 (9) It is the purpose and intent of this section to place primary
15 responsibility on the school fiscal officer and his surety for compliance with
16 the provisions of this section and to make the county treasurer or district
17 treasurer if the school district has its own treasurer and his surety liable
18 for any payment on a warrant, contract, or agreement drawn in violation of
19 this section where the amount of the payment exceeds the revenue receipts of
20 the district for the school year against which it is charged, as indicated on
21 the warrant, contract, or agreement or where the county treasurer approves a
22 payment with the knowledge that it is in payment of an obligation of a
23 different school year as prohibited in this section."

24

25 SECTION 12. Arkansas Code 6-20-403 is amended to read as follows:

26 "6-20-403. Authority to draw warrants - Countersignature.

27 The school district board of directors is authorized to draw warrants on
28 the county treasurer when the county treasurer serves as treasurer of the
29 school district for all funds to be disbursed by them, such warrants to be
30 countersigned by the agent authorized by the county board, as countersignature
31 is expressly required by law."

32

33 SECTION 13. Arkansas Code 6-20-404(d) and (e) are amended to read as
34 follow:

35 "(d) It shall be the duty of the county treasurer or district treasurer

1 if the school district has its own treasurer to record in a book the
2 description of the bonded indebtedness which is being paid by each warrant
3 before he cashes it.

4 (e) The county treasurer or district treasurer if the school district
5 has its own treasurer and his bondsmen shall be liable for the amount of
6 warrants cashed which were issued directly or indirectly in payment of
7 principal or interest of school bonds which do not carry the description as
8 required by this section and which were not recorded as required in subsection
9 (d) of this section."

10

11 SECTION 14. Arkansas Code 6-20-409(c) is amended to read as follows:

12 "(c) At the end of each calendar month, the financial secretary of the
13 school district shall draw a warrant upon the county treasurer or district
14 treasurer if the school district has its own treasurer payable out of the
15 operating fund for reimbursement of expenditures made from the petty cash fund
16 during the previous month."

17

18 SECTION 15. Arkansas Code 6-20-808(c) is amended to read as follows:

19 "(c) All taxes collected under the levy shall be, by the county
20 treasurer or school district treasurer, set aside and apart from all other
21 funds of the district for use only for the purpose of meeting the annual debt
22 service requirements of the obligations secured by the pledge of such ad
23 valorem tax levy, provided that any surplus accruing annually from the
24 collection of taxes under any such levy may be, by resolution adopted by the
25 board of directors of the school district, transferred by the county treasurer
26 or district treasurer to the district's general operating fund."

27

28 SECTION 16. Arkansas Code 6-20-1208 is amended to read as follows:

29 "6-20-1208. Delivery of bonds upon payment in cash - Registration and
30 recording.

31 (a) All school bonds sold shall be sold only for cash on the delivery
32 of the bonds.

33 (b) The delivery of the bonds to the purchaser and the payment of the
34 full amount of cash to the credit of the school district to the order of the
35 county treasurer or district treasurer if the school district has its own

1 treasurer shall be simultaneous, and in order to do this, some responsible
2 bank or trust company may be designated as an escrow agent through which the
3 bonds are to be delivered and the funds received.

4 (c) The secretary of each school district shall cause all school bonds
5 to be registered in the office of the county treasurer or the district
6 treasurer if the school district has its own treasurer in a book to be kept
7 for that purpose. This record shall show the date, the denomination, the
8 maturity in each year, the place of payments, the rate of interest, and the
9 aggregate amount of the issue, together with the amount of cash for which
10 sold.

11 (d) Such record books shall be open to public inspection.

12 (e) Any county treasurer or district treasurer if the school district
13 has its own treasurer failing or refusing to comply with any provisions of
14 this act, and the sureties on his official bond, shall be liable to the school
15 district and holders of its bonds for any damages caused thereby, to be
16 recovered by civil action."

17

18 SECTION 17. Arkansas Code 6-20-1209 is amended to read as follows:

19 "6-20-1209. Building fund - Establishment and purpose.

20 All school districts in Arkansas proceeding under this act to borrow
21 money and issue bonds, in addition to other security herein authorized, may
22 and are authorized to establish a building fund in an amount sufficient to pay
23 the maturities of bond principal and interest, as they accrue, of the issue of
24 bonds, that the building fund shall be set aside out of the first revenues of
25 the district, from whatever source derived, and shall be held by the county
26 treasurer or district treasurer if the school district has its own treasurer
27 solely in the manner and for the purposes set out throughout this act.

28

29 SECTION 18. Arkansas Code 6-20-1210(b) is amended to read as follows:

30 "(b) The county treasurer or district treasurer if the school district
31 has its own treasurer shall see to it that all warrants on the building fund
32 of any school district are drawn only to pay maturities of principal or
33 interest on bonds of this district, other school purposes as herein provided,
34 or past due interest as shown by the records in his office, and he shall
35 countersign all warrants on the building fund before they are valid."

1

2 SECTION 19. Arkansas Code 6-20-1211(b) is amended to read as follows:

3 "(b) However, the county treasurer or district treasurer if the school
4 district has its own treasurer shall keep separate records in his office
5 showing separately the building fund and shall see to it that on all
6 settlements made with him of tax money or state apportionment money, the
7 building fund is credited with all funds set apart therefor by the electors or
8 by the school district board of directors."

9

10 SECTION 20. Arkansas Code 6-20-1219 is amended to read as follows:

11 "6-20-1219. Record of bond issues.

12 In a book prepared for that purpose, the county treasurer or district
13 treasurer if the school district has its own treasurer shall keep in his
14 office a full and complete record of all bond issues outstanding at the
15 present time or to be issued hereafter, showing the date of the issuance, the
16 amount, the date of maturity, the rate of interest, the dates, and the amount
17 of payment thereon so that any interested persons may ascertain the true
18 financial status of the district's bonded indebtedness."

19

20 SECTION 21. The following provisions of the Arkansas Code are repealed:

21 (a) 6-13-702.

22 (b) 6-17-921.

23 (c) 6-20-220.

24 (d) 6-20-408.

25

26 SECTION 22. All provisions of this act of a general and permanent
27 nature are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas
28 Code Revision Commission shall incorporate the same in the Code.

29

30 SECTION 23. If any provision of this act or the application thereof to
31 any person or circumstance is held invalid, such invalidity shall not affect
32 other provisions or applications of the act which can be given effect without
33 the invalid provision or application, and to this end the provisions of this
34 act are declared to be severable.

35 SECTION 24. All laws and parts of laws in conflict with this act are

1 hereby repealed.

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APPROVED: 2-9-95

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