

1 State of Arkansas
2 89th General Assembly
3 Regular Session, 2013
4

A Bill

HOUSE BILL 1393

5 By: Representative Baltz
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For An Act To Be Entitled

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

12
13 TO AMEND THE LAW CONCERNING CERTAIN
14 COUNTY AND MUNICIPAL PUBLIC FINANCE
15 MATTERS.
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19 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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21 SECTION 1. Arkansas Code § 19-8-107 is amended to read as follows:

22 19-8-107. Depository agreements.

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

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

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

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



1 public funds the bank may accept.

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

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

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

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

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

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

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

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

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

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

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

1 public funds.

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

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

11 ~~(2)~~(4) All security required under this subsection shall meet
 12 the requirements of an eligible security under §§ 19-8-203 and 23-47-203(c).

13 ~~(3)~~(5) Public officials may require as a condition for placing
 14 deposits or keeping funds on deposit such financial data as they need to make
 15 an informed decision, including without limitation quarterly financial
 16 statements, quarterly profit and loss statements, and tangible net worth or
 17 capital-to-assets ratios.

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

20 21-6-310. Officers and employees generally -- Disposition of funds.

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

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

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 31 **APPROVED: 03/14/2013**
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