

Stricken language would be deleted from and underlined language would be added to the law as it existed prior to this session of the General Assembly.
Act 288 of the Regular Session

1 State of Arkansas
2 87th General Assembly
3 Regular Session, 2009

A Bill

HOUSE BILL 1442

4
5 By: Representatives Pyle, Hoyt
6 By: Senator Glover

For An Act To Be Entitled

10 AN ACT CONCERNING THE WITHHOLDING OF TURNBACK FOR
11 NONCOMPLIANCE WITH MUNICIPAL ACCOUNTING LAWS; TO
12 CHANGE THE DEADLINES FOR SUBSTANTIAL COMPLIANCE
13 BY A MUNICIPALITY; AND FOR OTHER PURPOSES.

Subtitle

15 AN ACT CONCERNING THE WITHHOLDING OF
16 TURNBACK FOR NONCOMPLIANCE WITH
17 MUNICIPAL ACCOUNTING LAWS; AND TO CHANGE
18 THE DEADLINES FOR SUBSTANTIAL COMPLIANCE
19 BY A MUNICIPALITY.
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23 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

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25 SECTION 1. Arkansas Code § 14-59-117 is amended to read as follows:
26 14-59-117. Withholding of turnback for noncompliance.

27 (a)(1)~~(A)~~ If the Division of Legislative Audit determines that a
28 municipal treasurer is not substantially complying with ~~the provisions of~~
29 this chapter, the division shall report the findings to the Legislative Joint
30 Auditing Committee.

31 ~~(B)~~(2)(A) If a public official or a private accountant
32 determines that a municipal treasurer is not substantially complying with ~~the~~
33 ~~provisions of~~ this chapter, the official or accountant shall notify the
34 Legislative Joint Auditing Committee of his or her findings.

35 ~~(2)(A)~~(B) Upon notification, the Legislative Joint Auditing



1 Committee shall direct the division to confirm that the ~~required books and~~
2 ~~records are not being maintained~~ municipal treasurer is not substantially
3 complying with this chapter.

4 ~~(B)(C)~~ Upon confirmation, the division shall report the
5 findings to the Legislative Joint Auditing Committee.

6 (b)(1) Upon notification of noncompliance by the division, the
7 Legislative Joint Auditing Committee shall notify in writing the mayor and
8 the city council or town council that the municipality’s accounting records
9 do not substantially comply with ~~the provisions of~~ this chapter.

10 (2) The municipality ~~shall have ninety (90)~~ has sixty (60) days
11 after the date of notification to bring the accounting records into
12 substantial compliance with ~~the requirements of~~ this chapter.

13 (3)(A) After the ~~ninety (90)~~ sixty (60) days allowed for
14 compliance or upon request by the appropriate municipal officials, the
15 division shall review the records to determine if the municipality
16 substantially complies with ~~the provisions of~~ this chapter.

17 (B) The division shall report its findings to the
18 Legislative Joint Auditing Committee.

19 (c)(1)(A) If the municipality has not achieved substantial compliance
20 within the ~~ninety-day~~ sixty-day period, the Legislative Joint Auditing
21 Committee ~~shall~~ may report the noncompliance to the Treasurer of State.

22 (B) Upon receipt of the notice of noncompliance from the
23 Legislative Joint Auditing Committee, the Treasurer of State shall place
24 fifty percent (50%) of the municipality’s turnback in escrow until the
25 Legislative Joint Auditing Committee reports to the Treasurer of State that
26 the municipality has substantially complied with ~~the provisions of~~ this
27 chapter.

28 (2) If the municipality has not achieved substantial compliance
29 within the sixty-day period, the governing body of the municipality shall
30 assign specific duties outlined in this chapter to another employee or shall
31 contract for the services to be performed by a qualified person or entity.

32 ~~(2)(3)(A)~~ The division shall notify the Legislative Joint
33 Auditing Committee when the municipality has substantially complied with ~~the~~
34 ~~provisions of~~ this chapter.

35 (B)(i) The Legislative Joint Auditing Committee shall
36 notify the Treasurer of State that the municipality has substantially

1 complied with ~~the provisions of~~ this chapter.

2 (ii) Upon notice of compliance from the Legislative
3 Joint Auditing Committee, the Treasurer of State shall remit all turnback due
4 to the municipality.

5 (d)(1) If the division has not received a request for a review of the
6 records from the municipality ~~prior to~~ before the end of the ~~six-month~~ one-
7 hundred-twenty-day period after the first date of notification of
8 noncompliance, the Legislative Joint Auditing Committee ~~shall~~ may notify the
9 municipality and the Treasurer of State of the continued noncompliance.

10 (2) Upon notice by the Legislative Joint Auditing Committee, the
11 Treasurer of State shall withhold all turnback until such time that the
12 accounting records have been reviewed and determined by the division to be in
13 substantial compliance with ~~the provisions of~~ this chapter.

14 (e)(1) If the division has not received a request for a review of the
15 records from the municipality ~~prior to~~ before the end of ~~one (1) year~~ six (6)
16 months after the initial notification of noncompliance, the Legislative Joint
17 Auditing Committee ~~shall~~ may notify the municipality and the Treasurer of
18 State of the continued noncompliance.

19 (2) Upon notice of noncompliance for ~~one (1) year~~ six (6)
20 months, the municipality forfeits all escrowed funds, and the Treasurer of
21 State shall redistribute all escrowed turnback funds applicable to the
22 municipality among all other municipalities receiving turnback.

23 (3) The municipality shall not be eligible to receive any
24 additional turnback from the state until the Legislative Joint Auditing
25 Committee notifies the Treasurer of State that the municipality has
26 substantially complied with ~~the provisions of~~ this chapter.

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28 **APPROVED: 3/03/2009**
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