

1 State of Arkansas  
2 93rd General Assembly  
3 Regular Session, 2021  
4

# A Bill

SENATE BILL 647

5 By: Senator J. Dismang  
6

## For An Act To Be Entitled

8 AN ACT TO AMEND THE LAW CONCERNING THE ANNUAL AUDITS  
9 AND PROCEDURES OF WATER AND SEWER SYSTEMS; AND FOR  
10 OTHER PURPOSES.

## Subtitle

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13 TO AMEND THE LAW CONCERNING THE ANNUAL  
14 AUDITS AND PROCEDURES OF WATER AND SEWER  
15 SYSTEMS.  
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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 § 14-234-119 is amended to read as follows:  
22 14-234-119. Annual audits and procedures.

23 (a)(1) A county, municipality, improvement district, or not-for-profit  
24 association or entity receiving fees from customers for providing sewage  
25 services shall obtain an annual financial audit of the system if the system  
26 has at least ~~seven hundred fifty (750)~~ two thousand (2,000) service  
27 connections during a fiscal year.

28 (2) A county, municipality, improvement district, or not-for-  
29 profit association or entity receiving fees from customers for providing  
30 water services shall obtain an annual financial audit of the system if the  
31 system has at least ~~one thousand (1,000)~~ two thousand (2,000) service  
32 connections during a fiscal year.

33 (b)(1)(A) A county, municipality, improvement district, or not-for-  
34 profit association or entity receiving fees from customers for providing  
35 sewage services and having at least one hundred (100) but less than ~~seven~~  
36 ~~hundred fifty (750)~~ two thousand (2,000) service connections during a fiscal



1 year shall obtain an annual audit or an annual agreed-upon procedures and  
2 compilation report.

3 (B) A county, municipality, improvement district, or not-  
4 for-profit association or entity receiving fees from customers for providing  
5 water services and having at least one hundred (100) but less than ~~one~~  
6 ~~thousand (1,000)~~ two thousand (2,000) service connections during a fiscal  
7 year shall obtain an annual audit or an annual agreed-upon procedures and  
8 compilation report.

9 (2) The agreed-upon procedures and compilation report engagement  
10 shall be conducted in accordance with standards established by the American  
11 Institute of Certified Public Accountants and subject to minimum procedures  
12 prescribed by the Legislative Joint Auditing Committee.

13 (c) The audits or agreed-upon procedures and compilation reports shall  
14 be completed within one (1) year following each system's fiscal year end.

15 (d) Each entity shall choose and employ accountants who are licensed  
16 and in good standing with the Arkansas State Board of Public Accountancy.

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