

1 State of Arkansas  
2 95th General Assembly  
3 Regular Session, 2025  
4

# A Bill

SENATE BILL 182

5 By: Senators Gilmore, S. Flowers  
6 By: Representatives Barnes, K. Ferguson, Holcomb, Wardlaw  
7

## For An Act To Be Entitled

8  
9 AN ACT TO AMEND THE LAW CONCERNING ANNUAL  
10 APPROPRIATIONS FOR LOCAL GOVERNMENT; TO REQUIRE A  
11 LOCAL GOVERNMENT TO CONTINUE TO OPERATE UNDER THE  
12 ANNUAL APPROPRIATION ORDINANCE FOR THE PREVIOUS YEAR  
13 UNTIL A NEW APPROPRIATION ORDINANCE IS ADOPTED; TO  
14 DECLARE AN EMERGENCY; AND FOR OTHER PURPOSES.  
15

## Subtitle

16  
17  
18 TO REQUIRE A LOCAL GOVERNMENT TO  
19 CONTINUE TO OPERATE UNDER THE ANNUAL  
20 APPROPRIATION ORDINANCE FOR THE PREVIOUS  
21 YEAR UNTIL A NEW APPROPRIATION ORDINANCE  
22 IS ADOPTED; AND TO DECLARE AN EMERGENCY.  
23

24 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
25

26 SECTION 1. Arkansas Code § 14-14-904(b)(1)(A)(ii), concerning the  
27 procedure for appropriations by a quorum court, is amended to add an  
28 additional subdivision to read as follows:

29 (c)(1) If a quorum court does not pass an  
30 annual appropriation ordinance as required under subdivision (b)(1)(A)(ii)(a)  
31 of this section by January 1, the annual appropriation ordinance from the  
32 previous year, including any amendments to the annual appropriation budget  
33 adopted by ordinance that were enacted on or before December 31 of the year  
34 of the annual appropriation ordinance, is readopted by operation of this  
35 subdivision (b)(1)(A)(ii)(c), at the final level of appropriation and the  
36 beginning level of zero (0) expenditure.



1                   (2) Expenditures of the county,  
 2 including without limitation the payment of salaries to employees as the  
 3 employee's salary existed on December 31, shall continue to be paid under the  
 4 annual appropriation ordinance levels of the previous year until a new annual  
 5 appropriation ordinance is adopted.

6                   (3) Expenditures of the county paid  
 7 under subdivision (b)(1)(A)(ii)(c)(2) of this section shall not include per  
 8 diem compensation for the justices of the peace under § 14-14-1205 or salary  
 9 for the county judge under § 14-14-1204(c).

10                   (4) An annual appropriation ordinance  
 11 adopted by the quorum court after January 1 shall not include per diem  
 12 compensation for the justices of the peace under § 14-14-1205 or salary for  
 13 the county judge under § 14-14-1204(c) for any period when the previous  
 14 year's annual appropriation ordinance has been readopted.

15                   (5) For the purposes of this subdivision  
 16 (b)(1)(A)(ii)(c), the annual appropriation ordinance adopted by the quorum  
 17 court in the previous year shall be readopted by operation of this  
 18 subdivision (b)(1)(A)(ii)(c) regardless of any determination that the annual  
 19 appropriation ordinance for the previous year is or may be invalid.

20  
 21           SECTION 2. Arkansas Code § 14-14-1204(c), concerning compensation of  
 22 elected county officers, is amended to add an additional subdivision to read  
 23 as follows:

24                   (3) If an annual appropriation ordinance is not adopted by  
 25 January 1 under § 14-14-904, the annual salary of a county judge shall not be  
 26 paid until an annual appropriation ordinance is adopted.

27  
 28           SECTION 3. Arkansas Code § 14-14-1205(a)(1), concerning compensation  
 29 of township officers, is amended to add an additional subdivision to read as  
 30 follows:

31                   (C) If an annual appropriation ordinance is not adopted by  
 32 January 1 under § 14-14-904, the per diem compensation for justices of the  
 33 peace shall not be paid until an appropriation ordinance is adopted.

34  
 35           SECTION 4. Arkansas Code § 14-58-202 is amended to read as follows:  
 36           14-58-202. Adoption of budget.

1        (a) Under this subchapter, the governing body of the municipality  
2 shall, on or before February 1 of each year, adopt a budget by ordinance or  
3 resolution for operation of the ~~city or town~~ municipality.

4        (b)(1) If the governing body of the municipality has not adopted a  
5 budget by ordinance for the operation of the municipality by January 1, any  
6 expenditure of the municipality for that year shall continue to be paid  
7 according to the adopted budget from the previous year, including any  
8 amendments to the budget adopted by ordinance that were enacted on or before  
9 December 31 of the year of the budget, until a new budget for the year is  
10 adopted by the governing body of the municipality.

11        (2) The expenditures of the municipality paid under subdivision  
12 (b)(1) of this section shall be limited to necessary operational expenses of  
13 the municipality, including without limitation:

14                (A) Expenditures to ensure all regular and usual  
15 government services offered by the municipality are maintained;

16                (B) Expenditures necessary to protect the peace, health,  
17 and safety of the residents of the municipality;

18                (C) Payroll and benefits of employees of the municipality  
19 as the employee's salary existed on December 31;

20                (D) Payments of contracts for commodities or services  
21 previously entered into by the municipality in which payment is due; and

22                (E) Payments of outstanding debt or bonds, including  
23 interest, as authorized under applicable law.

24        (3) Expenditures authorized under this subsection do not include  
25 a new capital purchase based on prior authorization for a capital purchase in  
26 the adopted budget from the previous year.

27  
28        SECTION 5. EMERGENCY CLAUSE. It is found and determined by the  
29 General Assembly of the State of Arkansas that when the governing body of a  
30 county or municipality does not pass an annual appropriation ordinance, the  
31 county or municipality cannot provide basic services and the employees of the  
32 county or municipality cannot be paid; that this act will allow expenditures  
33 to be paid until an annual appropriation ordinance is in place; that the lack  
34 of an appropriation ordinance makes it impossible for the county or  
35 municipality to provide necessary services to the residents of the county or  
36 municipality, which threatens the public peace, health, and safety of the

1 residents of the county or municipality; and that this act is immediately  
2 necessary because failure to pass an annual appropriation ordinance puts  
3 employees of the county or municipality in financial distress and at risk of  
4 being unable to pay for financial responsibilities. Therefore, an emergency  
5 is declared to exist, and this act being immediately necessary for the  
6 preservation of the public peace, health, and safety shall become effective  
7 on:

8 (1) The date of its approval by the Governor;

9 (2) If the bill is neither approved nor vetoed by the Governor,  
10 the expiration of the period of time during which the Governor may veto the  
11 bill; or

12 (3) If the bill is vetoed by the Governor and the veto is  
13 overridden, the date the last house overrides the veto.

14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30  
31  
32  
33  
34  
35  
36