

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

# A Bill

HOUSE BILL 1311

5 By: Representative Lundstrum  
6 By: Senator J. Petty  
7

## For An Act To Be Entitled

8  
9 AN ACT TO DIRECT THE LEGISLATIVE AUDITOR TO DEVELOP A  
10 COMPREHENSIVE FINANCIAL MANAGEMENT SYSTEM FOR  
11 APPROPRIATED FUNDS OF CITIES OF THE SECOND CLASS AND  
12 INCORPORATED TOWNS AND TO PROVIDE FOR THE  
13 IMPLEMENTATION OF THE SYSTEM IN THE VARIOUS CITIES  
14 AND TOWNS; AND FOR OTHER PURPOSES.  
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## Subtitle

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18 TO DIRECT THE LEGISLATIVE AUDITOR TO  
19 DEVELOP A COMPREHENSIVE FINANCIAL  
20 MANAGEMENT SYSTEM FOR APPROPRIATED FUNDS  
21 OF CITIES OF THE SECOND CLASS AND  
22 INCORPORATED TOWNS.  
23

24 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
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26 SECTION 1. Arkansas Code Title 14, Chapter 59, Subchapter 1, is  
27 amended to add an additional section to read as follows:

28 14-59-120. Uniform chart of accounts.

29 (a)(1) The Legislative Auditor shall develop a comprehensive financial  
30 management system, to be known as the "uniform chart of accounts", for  
31 appropriated funds of cities of the second class and incorporated towns.

32 (2) The purpose of the uniform chart of accounts is to provide  
33 necessary financial information for the mayors, councils, and other  
34 interested officers and departments of cities of the second class and  
35 incorporated towns.

36 (b) In developing the uniform of chart of accounts under this section,



1 the Legislative Auditor shall:

2 (1) Provide for a uniform account coding structure over  
 3 revenues, expenditures, and balances to assure that current information will  
 4 always be available concerning the financial condition of cities of the  
 5 second class and incorporated towns and their various offices and  
 6 departments; and

7 (2) Include without limitation budgeting and fund classification  
 8 aspects designed to classify the receipt of funds and the appropriations and  
 9 disbursements of funds in accordance with the object and purpose of the  
 10 expenditures in sufficient detail to:

11 (A) Be suitable for an analysis of the operations of all  
 12 offices and departments of cities of the second class and incorporated towns;  
 13 and

14 (B) Provide a breakdown and itemization of all  
 15 expenditures compatible with and comparable to the appropriations of councils  
 16 of cities of the second class and incorporated towns.

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 18 SECTION 2. TEMPORARY LANGUAGE. DO NOT CODIFY. No later than thirty-  
 19 six (36) months following the effective date of this act, the Legislative  
 20 Auditor shall develop and complete a process for phasing in the use of the  
 21 uniform chart of accounts under § 14-59-120.

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 24 **APPROVED: 2/18/25**  
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