

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

A Bill

SENATE BILL 553

5 By: Senator K. Hammer
6 By: Representative Milligan
7

For An Act To Be Entitled

8
9 AN ACT TO AMEND THE ARKANSAS MUNICIPAL ACCOUNTING
10 LAW; TO AMEND THE DUTIES OF A MUNICIPAL TREASURER; TO
11 REQUIRE TRAINING FOR AN INDIVIDUAL CHARGED WITH
12 DUTIES UNDER THE ARKANSAS MUNICIPAL ACCOUNTING LAW;
13 AND FOR OTHER PURPOSES.
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Subtitle

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17 TO AMEND THE ARKANSAS MUNICIPAL
18 ACCOUNTING LAW; TO AMEND THE DUTIES OF A
19 MUNICIPAL TREASURER; AND TO REQUIRE
20 TRAINING FOR AN INDIVIDUAL CHARGED WITH
21 DUTIES UNDER THE ARKANSAS MUNICIPAL
22 ACCOUNTING LAW.
23

24 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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26 SECTION 1. Arkansas Code § 14-59-115 is amended to read as follows:
27 14-59-115. Duties of municipal treasurer.

28 (a)(1) A municipal treasurer, whether elected or appointed, shall
29 complete eight (8) hours of training provided by the Arkansas Municipal
30 League in cooperation with Arkansas Legislative Audit.

31 (2)(A) A newly elected or appointed municipal treasurer shall
32 complete the training required under this subsection within one hundred
33 eighty (180) days of taking office.

34 (B) If the municipal treasurer fails to obtain the
35 required training under this subsection within one hundred eighty (180) days
36 of taking office, the municipality is in noncompliance with this chapter



1 until the municipal treasurer completes the training.

2 (b)(1) The curriculum for the mandatory training under subsection (a)
 3 of this section shall be established by the Arkansas Municipal League in
 4 cooperation with Arkansas Legislative Audit.

5 (2) The curriculum for the mandatory training under subsection
 6 (a) of this section shall provide at least eight (8) hours of training.

7 (c) Each municipal treasurer of this state or the designated
 8 representative that has been approved by the governing body shall submit a
 9 monthly financial report to the council or board of directors.

10 ~~(b)~~ (d)(1) Municipal treasurers shall maintain the accounting records
 11 prescribed in this chapter and other duties that may be prescribed by
 12 ordinance.

13 (2)(A)(i) If the municipal treasurer does not comply with this
 14 chapter or requests that specific duties be assigned to another employee or
 15 contracting entity, the governing body of a municipality may assign specific
 16 duties outlined in this chapter to another employee, or it may contract for
 17 the services to be performed by a private, qualified person or entity.

18 (ii) As used in this subdivision (d)(2)(A),
 19 "private, qualified person" means a person who, at minimum, is a resident of
 20 Arkansas and has:

21 (a) Previous experience in government or
 22 municipal accounting in Arkansas; or

23 (b) Received the training under
 24 subsection (a) of this section.

25 (iii) Any other employee or private person
 26 contracted with by the municipality to take on specific duties outlined in
 27 this chapter shall obtain the training required under subsection (a) of this
 28 section within one hundred eighty (180) days of taking on the duties
 29 assigned.

30 (iv)(a)(1) Before the governing body of a
 31 municipality assigns or contracts with a private, qualified person or entity
 32 for the disbursing of funds, the governing body of a municipality shall
 33 establish by ordinance a method that provides for internal accounting
 34 controls and documentation for audit and accounting purposes.

35 (2) The municipal treasurer shall
 36 approve the disbursement of funds before the private, qualified person or

1 entity disburses the funds.

2 (b) The governing body of a municipality shall
3 ensure that the private, qualified person or entity is adequately insured and
4 bonded and conforms to best practices and standards in the industry.

5 (B)(i) The governing body of a municipality may not assign
6 duties relating to the collecting of funds to anyone other than an employee
7 of the municipality.

8 (ii) The governing body of a municipality may assign
9 or contract with a private, qualified person or entity for the duties
10 relating to the disbursing of funds for payroll, bonded debt, or construction
11 projects funded with bond proceeds.

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13 SECTION 2. Arkansas Code § 14-59-117(b), concerning withholdings of
14 turnback funds for noncompliance for municipal accounting, is amended to read
15 as follows:

16 (b)(1) Upon notification of noncompliance by Arkansas Legislative
17 Audit, the Legislative Joint Auditing Committee shall notify in writing the
18 mayor and the city council or town council that the municipality's accounting
19 records do not substantially comply with this chapter.

20 (2)(A) Upon notification by the Legislative Joint Auditing
21 Committee of noncompliance by the municipal treasurer under § 14-59-115(a),
22 the governing body of the municipality shall require the treasurer to attend
23 the training as described under § 14-59-115(a).

24 (B) The minutes of the governing body of the municipality
25 shall reflect receipt of the Legislative Joint Auditing Committee
26 notification under subdivision (b)(2) of this section and the subsequent
27 municipal treasurer training requirement.

28 (3) The municipality has sixty (60) days after the date of
29 notification to bring the accounting records into substantial compliance with
30 this chapter.

31 ~~(3)~~ (4)(A) After the sixty (60) days allowed for compliance or
32 upon request by the appropriate municipal officials, Arkansas Legislative
33 Audit shall review the records to determine if the municipality substantially
34 complies with this chapter.

35 (B) Arkansas Legislative Audit shall report its findings
36 to the Legislative Joint Auditing Committee.

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SECTION 3. Arkansas Code § 14-59-117(c)(2), concerning withholdings of turnback funds for noncompliance for municipal accounting, is amended to read as follows:

(2) If the municipality has not achieved substantial compliance within the sixty-day period, the governing body of the municipality shall assign specific duties outlined in this chapter to another employee or shall contract for the services to be performed by a private, qualified person or entity as described under § 14-59-115.

SECTION 4. DO NOT CODIFY. Effective Date.
This act is effective on and after July 1, 2026.

APPROVED: 4/16/25