

FINANCIAL AFFAIRS

Must a city adopt a budget and, if so, how does that occur?

Yes. Before December 1 of each year, mayors of all cities and incorporated towns with a mayor-council form of government must submit to the governing body of those cities a proposed budget. That proposed budget should be for January 1 through December 31 of the following year. Ark. Code Ann. § 14-58-201.

Further, it is mandatory for the governing body of the municipality to adopt a budget for the operation of the city on or before February 1 of each year. See Ark. Code Ann. § 14-58-202.

The statutes contemplate that the mayor will present the council with a proposed budget as noted above, before December 1 of each year. This will enable the council to study the document, make any proposed changes and get the budget adopted before February 1 of the following year.