

State of Arkansas      *As Engrossed: H3/2/17 H3/6/17 S3/15/17*  
91st General Assembly      **A Bill**  
Regular Session, 2017

HOUSE BILL 1719

By: Representative L. Fite

*By: Senator Hickey*

**For An Act To Be Entitled**

AN ACT TO AMEND THE LAW CONCERNING IMPROVEMENT  
DISTRICT PROCEDURES; AND FOR OTHER PURPOSES.

**Subtitle**

TO AMEND THE LAW CONCERNING IMPROVEMENT  
DISTRICT PROCEDURES.

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

SECTION 1. Arkansas Code Title 14, Chapter 86, Subchapter 1, is amended to add two (2) additional sections to read as follows:

14-86-104. Improvement district – Audit – Vacancy – Meetings.

(a)(1)(A) Ten percent (10%) or more of the property owners in an improvement district may present to the county judge of the county or to the mayor of the municipality in which the improvement district lies a petition and an affidavit:

(i) Concerning the financial affairs of the improvement district; and

(ii) Showing substantially insufficient financial information of an improvement district provided by the improvement district as a result of a valid request under the Freedom of Information Act of 1967, § 25-19-101 et seq.

(B) Upon the presentation of a petition and affidavit under subdivision (a)(1)(A) of this section, the county judge or mayor shall request the financial information of the improvement district.

(2)(A) The improvement district shall provide the financial



information requested under subdivision (a)(1) of this section if the financial information exists.

(B) If within thirty (30) days of the request under subdivision (a)(1) of this section the improvement district does not provide to the county judge or to the mayor the financial information or state that the financial information does not exist, the county judge or *the mayor with the city council's approval may* order an independent audit to be conducted of the improvement district at the improvement district's expense.

(b) If a vacancy exists on a board of commissioners of an improvement district and the procedure for filling the vacancy is for the remaining commissioners to appoint a replacement commissioner, the county judge of the county or the mayor of the municipality in which the improvement district lies may appoint a replacement commissioner on his or her own accord or by petition of ten percent (10%) or more of the property owners in the improvement district.

(c)(1) All meetings of the board of commissioners of an improvement district shall be held in a central and convenient location in the county or the municipality in which the improvement district lies.

(2) Upon petition of ten percent (10%) or more of the property owners in the improvement district, the meeting location shall be determined by the county judge or the mayor.

(d) *This section does not apply to a general consolidated public utility system improvement district established under the General Consolidated Public Utility System Improvement District Law, § 14-217-101 et seq.*

14-86-105. Improvement district board of commissioners – Administrator.

(a) The county judge of the county or the mayor of the municipality in which an improvement district lies shall appoint an administrator of the improvement district to act as the board of *commissioners if* all positions on a board of commissioners of the improvement district are vacant and no interested property owner within the improvement district boundaries is willing to serve as a commissioner.

(b) The administrator appointed under subsection (a) of this section:

(1) Is subject to the applicable laws of the improvement

district;

(2) Shall provide evidence of his or her economic viability;

(3) Shall receive such payment for his or her services as the county judge or the mayor may allow;

(4) Shall serve at the pleasure of the county judge or mayor or until an interested property owner in the improvement district boundaries is willing to serve as commissioner of the improvement district; and

(5) Is not liable for damages in connection with the improvement district unless the administrator acted with corrupt and malicious intent.

(c) This section does not apply to a general consolidated public utility system improvement district established under the General Consolidated Public Utility System Improvement District Law, § 14-217-101 et seq.

*/s/L. Fite*

**APPROVED: 03/24/2017**