

State of Arkansas
93rd General Assembly
Regular Session, 2021

A Bill

HOUSE BILL 1249

By: Representatives Bentley, Hillman
By: Senators G. Stubblefield, Rapert

For An Act To Be Entitled

AN ACT TO CREATE A PROCEDURE FOR THE DISSOLUTION OR
ABOLITION OF A LEVEE DISTRICT; AND FOR OTHER
PURPOSES.

Subtitle

TO CREATE A PROCEDURE FOR THE DISSOLUTION
OR ABOLITION OF A LEVEE DISTRICT.

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

SECTION 1. Arkansas Code Title 14, Chapter 123, is amended to add an additional subchapter to read as follows:

SUBCHAPTER 6 – DISSOLUTION OR ABOLITION OF LEVEE DISTRICTS

14-123-601. Applicability.

This subchapter applies to a levee district created under § 14-123-201 et seq.

14-123-602. Filing of petition.

(a) The board of commissioners or board of directors of a levee district subject to this subchapter, or not less than a majority of the property owners in the district determined either in number, in acreage, or in value of the lands of the district, if deemed inadvisable or impractical and not for the best interest of the property owners of the district to construct or continue the improvements contemplated by the organization of



the district, may file a petition in the county court in which the original petition to create the district was filed, petitioning the court to abolish or dissolve the district.

(b) In the petition, the commissioners or landowners filing the petition shall explain the reasons the district should be abolished or dissolved.

14-123-603. Notice and hearing.

(a) Upon the filing of a petition under § 14-123-602, the county court shall direct the county clerk of the court to give notice by publication in a newspaper of publication and general circulation in the county in which the property of the district lies for not less than two (2) consecutive weekly publications, which notice shall set out the purpose of the petition and the day set for the hearing thereon.

(b) The court shall fix a day for the hearing of the petition and shall hear the evidence thereon, and if it is of the opinion that it is for the best interests of the property owners of the district that the petition be granted, it shall abolish or dissolve the district, but if it is of the opinion that it is for the best interest of the property owners that the organization of the district be continued, then it shall overrule the petition.

(c) The overruling of one (1) petition for the dissolution or abolition of a district or a determination of the court in that hearing that the petition is not signed by the requisite number of landowners shall not be a bar to the filing of another petition for that purpose.

(d) If all positions on the board of commissioners or board of directors of the district to be dissolved or abolished are vacant, the county court shall appoint an administrator to act as the board of commissioners in accordance with § 14-86-105.

14-123-604. Contracts during pendency of petition.

During the pendency of the petition under § 14-123-602 and before the hearing on the petition, the county court may prohibit the commissioners of the district subject to the terms of this subchapter at the time of the filing of the petition from the making of contracts, the pledging of assessments or betterments, the incurring of new indebtedness, or the

issuance of bonds or other obligations of the district.

14-123-605. Valid indebtedness unimpaired.

The dissolution of a district under the terms of this subchapter shall not impair or deny any creditor of the district the right to the collection of its bona fide and valid indebtedness existing against the district, but the creditors of the district shall be subject to this subchapter in connection with the presentation, allowance, or other adjudication with reference to their claim.

14-123-606. Claims against district.

(a)(1) All claims against the district existing at the time the county court makes an order for the dissolution of the district shall be presented to the commissioners duly itemized and verified as is required in actions of account.

(2) If not presented to the commissioners of the district within six (6) months from the date of the county court order of dissolution, future claims are barred.

(b) Within ten (10) days from the allowance or disallowance of any claim presented to the commissioners, the claim shall be filed by the commissioners in the county court with an endorsement reflecting allowance or disallowance, and within thirty (30) days from the filing of the claim or account in the county court, the county court shall make its order either approving, rejecting, or modifying the actions of the commissioners with reference to the indebtedness.

(c) Within the time allowed by law for appeal from orders of the county court, the district, any landowner within the district, or any party claiming to be a creditor of the district may either appeal from the order of the county court to the circuit court or any creditor may institute an action against the district in any court of competent jurisdiction for the determination of the determination of the existence and amount of his or her claim.

14-123-607. Partial continuance.

(a) A district dissolved or abolished under this subchapter shall continue in existence for the purpose of prosecuting and defending suits by

or against the district and for the purpose of enabling the district to settle, close its business, to dispose of and convey its property, to levy, receive, and distribute taxes which are levied or collected for the purpose of meeting the obligations of the district, but not for the purpose of constructing the improvements for which the district shall have been established or for the purpose of creating any new indebtedness therefor other than indebtedness incident to the liquidation and settlement of the affairs of the district.

(b) Notwithstanding the order of dissolution, commissioners may be appointed or removed in the same manner as if the order of dissolution had not been made.

14-121-608. Indebtedness of dissolved districts – Levy and collection of tax.

(a)(1) When the indebtedness owed by a district dissolved under the provisions of this subchapter have been determined, it is the duty of the commissioners to certify to the county court the determination as to a tax levy upon the real property of the district that is sufficient to pay the indebtedness thereof, including the reasonable expenses of dissolution and settlement of the affairs of the district, which expenses shall be subject to the approval, modification, or rejection by the county court.

(2) Upon ascertainment by the county court that the levy is required for the purpose of this subchapter, the county court shall approve the levy by its order and certify the amount of the levy to the quorum court of the county in which the district is located.

(b) The levy shall be upon the assessed value of the real property in the district for the state and county taxation as it appears upon the county assessment records.

(c) The taxes shall be collected and delinquencies shall be enforced in the same manner as if the district had continued in existence for the purpose of making the improvements contemplated by its original organization.

APPROVED: 3/4/21