

Stricken language would be deleted from and underlined language would be added to present law.
Act 359 of the Regular Session

State of Arkansas
93rd General Assembly
Regular Session, 2021

As Engrossed: S3/2/21
A Bill

HOUSE BILL 1251

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

For An Act To Be Entitled

AN ACT TO AMEND THE LAW CONCERNING IMPROVEMENT
DISTRICT AND PROTECTION DISTRICT REPORTING
REQUIREMENTS FOR COLLECTION OF ASSESSMENTS BY COUNTY
COLLECTORS; AND FOR OTHER PURPOSES.

Subtitle

TO AMEND THE LAW CONCERNING IMPROVEMENT
DISTRICT AND PROTECTION DISTRICT
REPORTING REQUIREMENTS FOR COLLECTION OF
ASSESSMENTS BY COUNTY COLLECTORS.

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

SECTION 1. Arkansas Code § 14-86-103 is amended to read as follows:
14-86-103. Reporting – Definition.

(a) ~~Definitions.~~

As used in this section, “district” means any levee, drainage, irrigation, watershed, or river improvement district in Arkansas, including without limitation those districts:

(1) Formed or operating under this chapter, § 14-87-101 et seq., § 14-88-101 et seq., § 14-89-101 et seq., § 14-90-101 et seq., § 14-91-101 et seq., § 14-92-101 et seq., the Property Owners’ Improvement District Law, § 14-93-101 et seq., the Municipal Property Owner’s Improvement District Law, § 14-94-101 et seq., § 14-95-101 et seq., § 14-114-101 et seq., the Interstate Watershed Cooperation Act, § 14-115-101 et seq., the Arkansas Irrigation, Drainage, and Watershed Improvement District Act of 1949, § 14-117-101 et



seq., § 14-118-101 et seq., The Water Improvement District Accounting Law of 1973, § 14-119-101 et seq., § 14-120-101 et seq., § 14-121-101 et seq., § 14-122-101 et seq., § 14-123-101 et seq., § 14-124-101 et seq., and the Conservation Districts Law, § 14-125-101 et seq.; or

(2) Created by a special act of the General Assembly.

~~(b)(1) On or before December 31, 2009, each district shall file an initial report with the clerk of the county court in whose jurisdiction any property of the district is located.~~

~~(2) The initial report shall include the following:~~

~~(A) The name of the district;~~

~~(B) The date on which the district was formed;~~

~~(C) The statutory or other legal authority under which the district was formed;~~

~~(D) A description of the district's boundaries and a map of the district;~~

~~(E) The names and addresses of the district's directors and its officers and their respective terms of office;~~

~~(F) An identification of any vacancy on the district board or district commission;~~

~~(G) A map of the parcels of property located in the district; and~~

~~(H) The time, date, and location of the district board's or district commission's next annual meeting or, if the annual meeting is unscheduled, the time, date, and location of the district board's or district commission's next meeting.~~

~~(e)(b)(1)~~ On Upon creation, on or before December 31, 2010 April 1, 2022, and annually afterwards thereafter, the district shall file with the clerk of the county court in whose jurisdiction any property of the district is located a report an Annual Report for the preceding fiscal year that includes:

~~(A) Provides the names and addresses of the members of the district board or district commission and its officers;~~

~~(B) Identifies any vacancy on the district board or the district commission; and~~

~~(C) Provides the time, date, and location of the district board's or district commission's next annual meeting, if scheduled, and its~~

~~next regularly scheduled meeting~~

The name of the district;

(B) The date on which the district was formed;

(C) The statutory or other legal authority under which the district was formed;

(D) A description of the district's boundaries and a map of the district;

(E) The names, phone numbers, addresses, and email addresses of the district's directors or commissioners and the district's officers, if any, and their respective terms of office;

(F) An identification of any vacancy on the district board or district commission;

(G) The date, time, and location of the district board's or district commission's next annual meeting or, if the annual meeting is unscheduled, the date, time, and location of the district board's or district commission's next meeting;

(H) A general description of the district's current and future maintenance and repair needs;

(I) A list of contracts, the identity of the parties to the contracts, and the obligations of the district;

(J) Any indebtedness, including bonded indebtedness, and:
(i) The reason for the indebtedness; and
(ii) The stated payout or maturity date of the indebtedness;

(K) The total existing delinquent assessments and the party responsible for the collection;

(L) The contact information for the district assessor, including name, phone number, address, and email address;

(M) If the county collects for the district, information concerning to whom the county treasurer is to pay district assessments;

(N) An explanation of the statutory penalties, interest, and costs;

(O) The method used to compute district assessments; and

(P) A statement itemizing the income and expenditures of the district, including a statement of fund and account balances of the district for the most recent fiscal year.

(2) The Within thirty (30) days of receipt, the clerk of the county court in whose jurisdiction any property of the district is located shall forward a file-marked copy of all reports filed under this subsection to the Arkansas Natural Resources Commission and the Division of Emergency Management.

~~(d)(c)(1) A~~ The county judge of the county or the mayor of the municipality in which all or a portion of the district lies shall appoint an administrator of the district to act as the board of commissioners if the district that fails to perform any of the requirements of subsection (b) or subsection (e) of this section commits a violation punishable by a fine of not less than one hundred dollars (\$100) and not more than one thousand dollars (\$1,000) for each offense.

~~(2) A fine recovered under subdivision (d)(1) of this section shall be deposited into the county clerk's cost fund~~ The administrator appointed under subdivision (c)(1) of this section:

(A) Is subject to the applicable laws of the district;

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

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

(D) Shall serve at the pleasure of the county judge or mayor and until such time as the county judge or mayor determines the administrator is no longer necessary; and

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

~~(3) A district shall not receive financial assistance from any state agency for a two year period following the date the fine was assessed under subdivision (d)(1) of this section.~~

SECTION 2. Arkansas Code § 14-86-2101 is amended to read as follows:
14-86-2101. Legislative intent.

This subchapter applies to all improvement districts or protection districts organized under Arkansas law or created by special act of the General Assembly that use the county collector either voluntarily or by statutory requirement for collection of improvement district assessments or protection district assessments unless otherwise noted.

SECTION 3. Arkansas Code § 14-86-2102 is amended to read as follows:

14-86-2102. Annual improvement district or protection district filing.

(a)(1)(A) ~~By March 1 of each year~~ Beginning April 1, 2022, or upon the creation of an improvement district or protection district and on April 1 of each year thereafter, an improvement district or protection district that uses or intends to use the county collector for collection of improvement district assessments or protection district assessments shall+

~~(1)(A) File~~ file an ~~annual report~~ Annual Report with the county clerk in any county in which a portion of the improvement district or protection district is located.

(B) The ~~annual~~ report shall be available for inspection and copying by assessed landowners in the improvement district or protection district.

(C) The county clerk shall not charge any costs or fees for filing the ~~annual~~ report.

(D) The improvement district or protection district shall deliver a filed copy of the ~~annual~~ report to the county collector, county assessor, and county treasurer within five (5) days of filing; ~~and.~~

(E) Within thirty (30) days of receipt, the county clerk shall forward to the Arkansas Natural Resources Commission and the Division of Emergency Management a file-marked copy of the report filed by a levee district, drainage district, or levee and drainage district that is a district as defined in § 14-86-103.

(2) The ~~annual~~ report shall contain the following information ~~as of December 31 of the current calendar~~ for the preceding fiscal year:

(A) Identification of the primary statute under which the improvement district or protection district was formed;

(B) A general statement of the purpose of the improvement district or protection district;

(C) A list of contracts, the identity of the parties to the contracts, and the obligations of the improvement district or protection district;

(D)(i) Any indebtedness, including bonded indebtedness, and the reason for the indebtedness.

(ii) The stated payout or maturity date of the

indebtedness, if any, shall be included;

~~(iii)~~(E) The total existing delinquent assessments and the party responsible for the collection;

~~(E)~~(F) Identification of the improvement district or protection district directors or commissioners and improvement district or protection district officers, if any, and contact information, including names, phone numbers, addresses, and email addresses;

~~(F)~~(G) The date, time, and location for any scheduled meeting of the improvement district or protection district for the ~~following~~ current year;

~~(G)~~(H) The contact information for the improvement district or protection district assessor, including name, phone number, address, and email address;

~~(H)~~(I) Information concerning to whom the county treasurer is to pay improvement district or protection district assessments;

~~(I)~~(J) An explanation of the statutory penalties, interest, and costs;

~~(J)~~(K) The method used to compute improvement district or protection district assessments; and

~~(K)~~(L) A statement itemizing the income and expenditures of the improvement district or protection district, including a statement of fund and account ~~activity for~~ balances of the improvement district or protection district for the most recent fiscal year.

(b)(1) ~~As~~ The county judge of the county or the mayor of the municipality in which a portion of an improvement district or protection district that is located shall appoint an administrator of the improvement district or protection district to act as the board of commissioners if the improvement district or protection district does not comply with subsection (a) of this section commits a violation punishable by a fine of not less than one hundred dollars (\$100) and not more than one thousand dollars (\$1,000) for each offense.

(2) ~~A fine recovered under subdivision (b)(1) of this section shall be deposited into the county clerk's cost fund~~ The administrator appointed under subdivision (b)(1) of this section:

(A) Is subject to the applicable laws of the improvement district or protection district;

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

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

(D) Shall serve at the pleasure of the county judge or mayor and until such time as the county judge or mayor determines the administrator is no longer necessary; and

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

(c)(1) On or before December ~~31~~ 15 of each year, the improvement district or protection district shall file its list of special assessments for the following calendar year with the county clerk in any county in which a portion of the improvement district or protection district is located.

(2)(A) After filing the list of special assessments, the improvement district or protection district shall deliver a copy of the filed list of special assessments to the preparer of the tax books.

(B) If the county collector is not the designated preparer of the tax books, the improvement district or protection district shall deliver a copy of the filed list of special assessments to the county collector.

(3) The list of special assessments shall contain:

(A) A list of each parcel with an assessment levied against it within the improvement district or protection district; and

(B) The contact information for the improvement district assessor or protection district assessor, including name, phone number, address, and email address.

(4) The list of ~~fees~~ special assessments shall not include assessments on parcels that otherwise would not appear on the tax books for the following year.

(5) After the December ~~31~~ 15 deadline to file the list of special assessments, the county collector ~~may~~ shall reject an assessment submitted by the improvement district or protection district for inclusion in the list of special assessments.

(6) If an improvement district or protection district has failed to file the annual report required under this section, the county treasurer

shall withhold disbursement of any funds collected through assessments until receipt of the most recent annual report required under this section.

/s/Bentley

APPROVED: 3/15/21