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

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