

1 State of Arkansas  
2 93rd General Assembly  
3 Regular Session, 2021  
4

# A Bill

HOUSE BILL 1249

5 By: Representatives Bentley, Hillman  
6 By: Senators G. Stubblefield, Rapert  
7

## For An Act To Be Entitled

9 AN ACT TO CREATE A PROCEDURE FOR THE DISSOLUTION OR  
10 ABOLITION OF A LEVEE DISTRICT; AND FOR OTHER  
11 PURPOSES.  
12  
13

## Subtitle

14 TO CREATE A PROCEDURE FOR THE DISSOLUTION  
15 OR ABOLITION OF A LEVEE DISTRICT.  
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19 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
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21 SECTION 1. Arkansas Code Title 14, Chapter 123, is amended to add an  
22 additional subchapter to read as follows:  
23

### SUBCHAPTER 6 – DISSOLUTION OR ABOLITION OF LEVEE DISTRICTS

#### 14-123-601. Applicability.

24 This subchapter applies to a levee district created under § 14-123-201  
25 et seq.  
26

#### 14-123-602. Filing of petition.

27 (a) The board of commissioners or board of directors of a levee  
28 district subject to this subchapter, or not less than a majority of the  
29 property owners in the district determined either in number, in acreage, or  
30 in value of the lands of the district, if deemed inadvisable or impractical  
31 and not for the best interest of the property owners of the district to  
32 construct or continue the improvements contemplated by the organization of  
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1 the district, may file a petition in the county court in which the original  
2 petition to create the district was filed, petitioning the court to abolish  
3 or dissolve the district.

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

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8 14-123-603. Notice and hearing.

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

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

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

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

30  
31 14-123-604. Contracts during pendency of petition.

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

1 issuance of bonds or other obligations of the district.

2  
3 14-123-605. Valid indebtedness unimpaired.

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

10  
11 14-123-606. Claims against district.

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

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

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

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

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34 14-123-607. Partial continuance.

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

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

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

12  
 13 14-121-608. Indebtedness of dissolved districts – Levy and collection  
 14 of tax.

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

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

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

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

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 34 **APPROVED: 3/4/21**