

1 State of Arkansas *As Engrossed: H3/2/17 H3/6/17 S3/15/17*

2 91st General Assembly

A Bill

3 Regular Session, 2017

HOUSE BILL 1719

4

5 By: Representative L. Fite

6 *By: Senator Hickey*

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For An Act To Be Entitled

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

11

12

13

Subtitle

14

TO AMEND THE LAW CONCERNING IMPROVEMENT

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DISTRICT PROCEDURES.

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

19

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

22 14-86-104. Improvement district – Audit – Vacancy – Meetings.

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

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

29 (ii) Showing substantially insufficient financial
30 information of an improvement district provided by the improvement district
31 as a result of a valid request under the Freedom of Information Act of 1967,
32 § 25-19-101 et seq.

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

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



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

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

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

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

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

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

26
27 14-86-105. Improvement district board of commissioners –
28 Administrator.

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

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

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

1 district;

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

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

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

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

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

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15 /s/L. Fite

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18 **APPROVED: 03/24/2017**

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