

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

As Engrossed: S3/2/21

A Bill

HOUSE BILL 1251

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

For An Act To Be Entitled

9 AN ACT TO AMEND THE LAW CONCERNING IMPROVEMENT
10 DISTRICT AND PROTECTION DISTRICT REPORTING
11 REQUIREMENTS FOR COLLECTION OF ASSESSMENTS BY COUNTY
12 COLLECTORS; AND FOR OTHER PURPOSES.
13
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Subtitle

16 TO AMEND THE LAW CONCERNING IMPROVEMENT
17 DISTRICT AND PROTECTION DISTRICT
18 REPORTING REQUIREMENTS FOR COLLECTION OF
19 ASSESSMENTS BY COUNTY COLLECTORS.
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22 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
23

24 SECTION 1. Arkansas Code § 14-86-103 is amended to read as follows:
25 14-86-103. Reporting – Definition.

26 (a) ~~Definitions.~~

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

30 (1) Formed or operating under this chapter, § 14-87-101 et seq.,
31 § 14-88-101 et seq., § 14-89-101 et seq., § 14-90-101 et seq., § 14-91-101 et
32 seq., § 14-92-101 et seq., the Property Owners’ Improvement District Law, §
33 14-93-101 et seq., the Municipal Property Owner’s Improvement District Law, §
34 14-94-101 et seq., § 14-95-101 et seq., § 14-114-101 et seq., the Interstate
35 Watershed Cooperation Act, § 14-115-101 et seq., the Arkansas Irrigation,
36 Drainage, and Watershed Improvement District Act of 1949, § 14-117-101 et



1 seq., § 14-118-101 et seq., The Water Improvement District Accounting Law of
2 1973, § 14-119-101 et seq., § 14-120-101 et seq., § 14-121-101 et seq., § 14-
3 122-101 et seq., § 14-123-101 et seq., § 14-124-101 et seq., and the
4 Conservation Districts Law, § 14-125-101 et seq.; or

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

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

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

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

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

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

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

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

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

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

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

26 ~~(e)(b)(1) On~~ Upon creation, on or before ~~December 31, 2010~~ April 1,
27 2022, and annually ~~afterwards~~ thereafter, the district shall file with the
28 clerk of the county court in whose jurisdiction any property of the district
29 is located ~~a report~~ an Annual Report for the preceding fiscal year that
30 includes:

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

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

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

1 ~~next regularly scheduled meeting~~

2 The name of the district;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

29
30 SECTION 2. Arkansas Code § 14-86-2101 is amended to read as follows:
31 14-86-2101. Legislative intent.

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

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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

1 indebtedness, if any, shall be included;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

22 (3) The list of special assessments shall contain:

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

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

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

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

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

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

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/s/Bentley