

1 State of Arkansas
2 81st General Assembly
3 Regular Session, 1997

A Bill

SENATE BILL 221

4
5 By: Senator Webb

For An Act To Be Entitled

9 "AN ACT TO AMEND ARKANSAS CODE § 14-92-237 TO ALLOW A
10 SUBURBAN IMPROVEMENT DISTRICT TO CONVERT TO A RURAL FIRE
11 PROTECTION DISTRICT; TO AMEND VARIOUS SECTIONS OF
12 SUBCHAPTER 2 OF TITLE 14, CHAPTER 284 OF THE ARKANSAS CODE
13 OF 1987, ANNOTATED, TO ACCOMMODATE THE CONVERSION OF
14 SUBURBAN IMPROVEMENT DISTRICTS TO FIRE PROTECTION
15 DISTRICTS; AND FOR OTHER PURPOSES."

Subtitle

17
18 "TO ALLOW A SUBURBAN IMPROVEMENT
19 DISTRICT TO CONVERT TO A RURAL FIRE
20 PROTECTION DISTRICT."

21
22 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

23
24 SECTION 1. Arkansas Code § 14-92-237 is amended to read as follows:
25 "14-92-237. Dissolution or conversion of district.

26 (a)(1) After all bonds, notes, or other evidences of indebtedness, plus
27 all interest thereon, shall have been paid in full, a suburban improvement
28 district may, by unanimous vote of the board of commissioners, be dissolved
29 and all future levies and assessments cancelled, the board relieved from
30 further duties, and the surplus funds of the district distributed in
31 accordance with the procedures set forth in subsections (b) and (c) of this
32 section, if title to and control of the facilities constructed by the district
33 have been taken over or assumed by any political subdivision, municipal
34 utility commission or agency, or any regulated public utility, or a suburban
35 improvement district may, by unanimous vote of the board of commissioners, be
36 converted into a fire protection district and all future levies and

1 assessments cancelled, the board relieved from further duties, and any
2 remaining funds and any other property of the district transferred to the new
3 entity in accordance with the procedures set forth in subsection (d) of this
4 section.

5 (2) The districts are authorized, at the discretion of the
6 commissioners, to enter into repair and maintenance agreements or contracts
7 and to expend funds of the districts for these purposes.

8 (b) Any improvement district created pursuant to this subchapter may be
9 dissolved in the same manner it was created. However, if any district having
10 outstanding bonds or other indebtedness is dissolved, the assessed benefits
11 being levied at the time of dissolution shall continue to be levied and
12 collected until the outstanding bonds or other indebtedness are paid.

13 (c)(1) In the event the commissioners vote to dissolve the district or
14 the district is dissolved by vote of the realty owners at a public hearing,
15 the board shall convert all assets into cash and shall first pay from such
16 surplus funds all debts of the district, including any reasonable legal and
17 other expenses incurred in connection with the dissolution.

18 (2)(A) The commissioners then shall refund all remaining funds of
19 the district, pro rata, to the property owners who hold title to the property
20 in the district at the time the refund is made.

21 (B)(i) The pro rata refund to the property owners shall be
22 made on the basis of the most recent assessment or reassessment of benefits on
23 the parcels of property prior to dissolution and shall be in the same
24 proportion that the assessed benefits of each individual parcel of property
25 bears to the total of the assessed benefits of all the property in the
26 district.

27 (ii) No property or owner whose property is
28 delinquent in any sum for district assessments, penalties, or interest, at the
29 time the refund is made shall be counted in calculating the pro rata
30 distribution, or receive any portion of the refund.

31 (C) Within ninety (90) days after the distribution of the
32 surplus funds has been completed, the board shall file a copy of the
33 resolution of dissolution and a financial statement of the district, verified
34 by all commissioners, in the office of the county clerk in the county in which
35 the district is located.

36 (d)(1) Any improvement district created pursuant to this subchapter

1 solely for the purposes of providing fire protection services may be converted
2 into a new fire protection district under Arkansas Code §§ 14-284-201, et
3 seq., and shall, after the conversion, be governed under the authority of that
4 law. However, if a district has any outstanding bonds or other indebtedness,
5 it shall not be converted until the outstanding bonds or other indebtedness
6 are paid.

7 (2) In the event the commissioners vote to convert the district,
8 the board shall choose a date certain of not less than sixty (60) days nor
9 more than twelve (12) months at which time the conversion shall become
10 effective and shall notify the county court of the county in which the
11 district is located that the board has voted to convert the district and shall
12 specifically define the area proposed to be included in the new fire
13 protection district. After verifying that the commissioners have voted
14 unanimously to convert the district to a proposed fire protection district and
15 that there is no outstanding indebtedness for the district, the county court
16 shall enter an order establishing the district as described in the notice by
17 the board and establishing the time and place of a public meeting to be held
18 within the district to elect the new commissioners of the fire protection
19 district as is otherwise provided by law.

20 (3) After paying all debts of the district, including any
21 reasonable legal and other expenses incurred in connection with the
22 conversion, the board shall transfer any and all remaining cash and other
23 monetary assets and any real and personal property to the new district on the
24 effective date of the conversion. All delinquent assessments of the district
25 and any debts owed to the district shall become debts to the new district and
26 shall be subject to collection by the new district in accordance with its
27 powers and authority.

28 (4) Within ninety (90) days after the transfer of any and all
29 remaining funds and property has been completed, the board shall file a copy
30 of the resolution of conversion and a final financial statement of the
31 district, verified by all commissioners, in the office of the county clerk in
32 the county in which the district is located. The fire protection district
33 shall be deemed to have been formed upon the date of its conversion from a
34 suburban improvement district."

35

36 SECTION 2. Arkansas Code § 14-284-203 is amended to read as follows:

1 "14-284-203. Methods of establishment.

2 Fire protection districts may be established to serve all or any defined
3 portion of any county in ~~either~~ any of the following ways:

4 (1) By the quorum court by ordinance enacted after notice and public
5 hearing; ~~or~~

6 (2) By the county court pursuant to an election of the qualified
7 electors of the proposed district initiated, called, and conducted as provided
8 in this subchapter; or

9 (3) By the county court pursuant to a resolution of a suburban
10 improvement district, approved by unanimous vote of its board of
11 commissioners, to convert to a fire protection district to be administered
12 under this subchapter."

13

14 SECTION 3. Arkansas Code § 14-284-208 is amended to read as follows:

15 "14-284-208. Order for establishment - Board of commissioners -
16 Appointment - Compensation.

17 (a) If at an election a majority of the qualified electors voting on
18 the question vote "FOR" the establishment of the proposed fire protection
19 district and the levy of assessed benefits to support the district or if an
20 ordinance of the quorum court establishing a district is sustained or if the
21 board of commissioners of a suburban improvement district votes unanimously to
22 convert to a fire protection district, the county court shall enter an order
23 establishing the district as described in the petitions or ordinance and shall
24 appoint five (5) qualified electors of the district as a board of
25 commissioners for the district, unless it is otherwise provided for by law.

26 (1) Two (2) members of the commission shall be appointed for
27 terms of two (2) years and three (3) members of the commission shall be
28 appointed for terms of three (3) years.

29 (2) All successor members shall be appointed by the county court
30 for terms of three (3) years.

31 (3) All appointments shall be subject to confirmation by the
32 quorum court of the county.

33 (b) The members of the boards of commissioners of fire protection
34 districts formed after July 3, 1989 or converted from suburban improvement
35 districts, under this subchapter shall be elected at a public meeting called
36 by the county court. The commissioners shall be elected by the qualified

1 electors residing within the district.

2 (c) Vacancies occurring on the board because of resignation, removal,
3 or otherwise shall be filled by the county court for the unexpired term.

4 (d) The members of the board shall serve without compensation but shall
5 be entitled to actual expenses incurred in attending meetings in an amount not
6 to exceed fifty dollars (\$50.00) per month for each member of the board as
7 authorized by the quorum court of the county.

8 (e) Members of the board may be removed from office by the county court
9 for good cause shown.

10 (f)(1) If the district includes territory from more than one (1)
11 county, the board of commissioners shall be composed of seven (7) members:

12 (2) The members of the board of commissioners of multi-county
13 fire protection districts formed after July 3, 1995, under this subchapter,
14 shall be residents of the fire protection district and elected at a public
15 meeting as agreed upon by the county courts in order to establish the time of
16 the meeting and the place of the meeting being within the district. The
17 commissioners shall be elected by the qualified electors residing within the
18 district.

19 (3) The members of the board of commissioners shall serve
20 staggered terms.

21 (4) Vacancies occurring on the board due to resignation, removal,
22 or otherwise shall be filled by the remaining board members for the unexpired
23 term.

24 (5)(A)(i) Members of the board may be removed by a special
25 election to be held within ninety (90) days after the presentation of a
26 special election removal petition signed by ten percent (10%) of the assessed
27 landowners or the assessed per-parcel owners, with the removal of the board
28 member to be determined by the majority votes of the votes cast in person by
29 the assessed landowners or the assessed per-parcel property owners.

30 (ii) Each assessed landowner or assessed parcel
31 property owner shall have one (1) vote per paid assessment.

32 (B) The election for the removal of board members shall be
33 held at a designated location within the fire protection district."

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35 SECTION 4. Subsection (a) of Arkansas Code § 14-284-218 is amended to
36 read as follows:

1 (a) The board of any fire protection district established pursuant to
 2 a vote of the electors as authorized in this subchapter, and the board of any
 3 fire protection district established by ordinance of the quorum court when so
 4 authorized by a vote of electors in the district as authorized in this
 5 subchapter, and the board of fire protection district converted from a
 6 suburban improvement district shall have the authority to issue negotiable
 7 bonds or certificates of indebtedness to secure funds for the expenses of the
 8 district, including office supplies and salaries and the purchase of land,
 9 buildings, equipment, facilities, chemicals, and such other items as may be
 10 necessary to carry out the purposes of the district.

11 (1) Bonds issued by the board shall be for a term of not more
 12 than twenty (20) years.

13 (2) To secure the bonds, the board may pledge all or a portion of
 14 the benefits assessed against benefited real property in the district."
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16 SECTION 5. All provisions of this act of general and permanent nature
 17 are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code
 18 Revision Commission shall incorporate the same in the Code.
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20 SECTION 6. If any provisions of this act or the application thereof to
 21 any person or circumstance is held invalid, the invalidity shall not affect
 22 other provisions or applications of the act which can be given effect without
 23 the invalid provisions or application, and to this end the provisions of this
 24 act are declared to be severable.
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26 SECTION 7. All laws and parts of laws in conflict with this act are
 27 hereby repealed.
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