

1 State of Arkansas  
2 81st General Assembly  
3 Regular Session, 1997  
4 By: Senator Webb

# A Bill

SENATE BILL 68

## For An Act To Be Entitled

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

## Subtitle

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

20  
21 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

22  
23 SECTION 1. Arkansas Code § 14-92-237 is amended to read as follows:

24 "14-92-237. Dissolution or conversion of district.

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

1 remaining funds and any other property of the district transferred to the new  
2 entity in accordance with the procedures set forth in subsection (d) of this  
3 section.

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

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

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

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

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

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

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

35           (d)(1) Any improvement district created pursuant to this subchapter  
36 solely for the purposes of providing fire protection services may be converted

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

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

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

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

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

36           "14-284-203. Methods of establishment.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

36 "(a) The board of any fire protection district established pursuant to

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

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

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