

Stricken language would be deleted from and underlined language would be added to the law as it existed prior to this session of the General Assembly.

1 State of Arkansas
2 86th General Assembly
3 Regular Session, 2007
4

A Bill

HOUSE BILL 2341

5 By: Representative Saunders
6 By: Senator T. Smith
7

For An Act To Be Entitled

10 AN ACT TO AUTHORIZE SUPPLEMENTAL ANNUAL
11 ASSESSMENTS BY MUNICIPAL IMPROVEMENT DISTRICTS;
12 AND FOR OTHER PURPOSES.
13

Subtitle

14 TO AUTHORIZE SUPPLEMENTAL ANNUAL
15 ASSESSMENTS BY MUNICIPAL IMPROVEMENT
16 DISTRICTS.
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20 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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22 SECTION 1. Arkansas Code § 14-91-601 is repealed.

23 ~~14-91-601. Procedure generally.~~

24 ~~(a)(1) All improvement districts in cities and towns organized under~~
25 ~~§§ 14-88-203, 14-88-205, 14-88-207, 14-88-210, 14-88-301, 14-88-303, 14-~~
26 ~~88-305, 14-88-306, 14-88-308, and 14-88-407 may be prolonged or continued~~
27 ~~after the completion of the improvement for which they were organized for the~~
28 ~~purpose of maintaining and keeping those improvements in a good state of~~
29 ~~repair, upon a petition of a majority in value of the owners of real property~~
30 ~~within the district adjoining the locality to be affected, to the city or~~
31 ~~town council, requesting that the life of the district be prolonged or~~
32 ~~continued for that purpose.~~

33 ~~(2) The petition shall designate the time during which the~~
34 ~~maintenance and repair shall be undertaken, and the manner and estimated cost~~
35 ~~thereof, requesting that the cost be assessed and charged upon the real~~
36 ~~property situated within the district.~~



1 ~~(b)(1) Thereupon, the council shall provide by ordinance for the~~
2 ~~prolongation or continuation of the district as requested, and the board of~~
3 ~~assessors shall thereupon assess the value of all benefits to be received by~~
4 ~~the land owned by reason of the maintenance and keeping in repair of the~~
5 ~~improvement as affecting each of the blocks, lots, or parcels of land within~~
6 ~~the district.~~

7 ~~(2) The board shall at once proceed to inscribe in the~~
8 ~~assessment book of the district the value of the benefits to accrue to each~~
9 ~~of the blocks, lots, or parcels of land.~~

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11 SECTION 2. Arkansas Code § 14-91-602 is repealed.

12 ~~14-91-602. Levy of assessment.~~

13 ~~(a) The city or town council shall provide, by ordinance, for the levy~~
14 ~~of the assessment of the benefits as made by the assessors under § 14-91-601~~
15 ~~and shall fix the day in the year when the assessment shall be paid.~~

16 ~~(b) The assessment shall be a charge and lien against all the real~~
17 ~~property in the district from the date of the ordinance and shall be entitled~~
18 ~~to preference over all judgments, executions, encumbrances, or liens~~
19 ~~whenever created, except the lien for original assessment, and shall~~
20 ~~continue until the assessments, with any penalty and costs that may accrue,~~
21 ~~shall be paid.~~

22 ~~(c) As between grantor and grantee, all payments not due at the date~~
23 ~~of the transfer of the real property shall be payable by the grantee.~~

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25 SECTION 3. Arkansas Code § 14-91-603 is repealed.

26 ~~14-91-603. Limitations on assessment.~~

27 ~~The assessments for maintenance and repair made pursuant to § 14-91-601~~
28 ~~may be in addition to the twenty percent (20%) maximum assessment permitted~~
29 ~~for the original cost of the improvement by § 14-90-801, but no additional~~
30 ~~assessment shall be made in excess of five percent (5%) of the value of the~~
31 ~~real property in the district as shown by the last county assessment, and not~~
32 ~~more than ten percent (10%) of the additional assessment of benefits shall be~~
33 ~~collected in any one (1) year.~~

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35 SECTION 4. Arkansas Code § 14-91-604 is repealed.

36 ~~14-91-604. Readjustment of assessment.~~

~~The assessment made pursuant to § 14-91-601 may be annually readjusted according to additional improvements upon the lands by board of assessors. Immediately upon the recording of the assessment, notice thereof shall be inserted in some newspaper, and appeals may be filed and shall be heard and disposed of all in the same manner as provided by law for publishing notice of and protesting against the original assessment for the improvement.~~

SECTION 5. Arkansas Code § 14-91-605 is repealed.

~~14-91-605. Law controlling assessments.~~

~~Under this subchapter, the publication of a copy of the ordinance, the infliction of a penalty for nonpayment, and the enforcement and foreclosure of the lien shall all be had and done in the same manner as is provided in reference to the original assessment.~~

SECTION 6. Arkansas Code Title 14, Chapter 91, Subchapter 6 is amended to add an additional section to read as follows:

14-91-606. Supplemental annual assessments.

(a)(1) In order to effectuate the plan of improvement and to maintain the improvements constructed under it, it may be desirable to provide additional funds for operation, maintenance, repairs, and replacements, and to levy a supplemental annual assessment upon the property owners within a municipal improvement district in order to provide funds for these purposes.

(2) Supplemental annual assessment for operation, maintenance, repairs, and replacements shall be in addition to that levied and collected upon the assessment of benefits which has been, or may be, pledged and mortgaged to retire bonded indebtedness of the municipal improvement district as authorized for municipal improvement districts.

(b)(1) The petition requesting the creation of the municipal improvement district and the ordinances creating the municipal improvement district and levying the tax on the assessment of benefits to provide for the retirement of bonded indebtedness may also provide for a continuing supplemental annual levy of an assessment that shall be designated for the purposes of operation, maintenance, repairs, and replacements of the improvements.

(2)(A) If the petition requesting the creation of the municipal improvement district does not contain a provision requesting the levy of a

1 supplemental annual assessment for operation, maintenance, repairs, and
2 replacements, a majority in value of the owners of real property within the
3 municipal improvement district at any time may petition the governing body
4 for the adoption of an ordinance levying a supplemental assessment.

5 (B) If the petition is filed after the creation of the
6 municipal improvement district, it shall be the duty of the governing body to
7 adopt the requested ordinance upon inquiry only as to the sufficiency of the
8 petition.

9 (c)(1) The levy and collection of the supplemental annual assessment
10 for operation, maintenance, repairs, and replacements shall not operate to
11 reduce the total of the assessed benefits that may be, or may have been,
12 mortgaged and pledged to secure bonded indebtedness of the municipal
13 improvement district.

14 (2) Upon request of the board of commissioners, the annual
15 supplemental assessment may be adjusted no more frequently than annually by
16 the governing body.

17 (3)(A) Collection of the supplemental assessment for operation,
18 maintenance, repairs, and replacements shall be in the same manner as for the
19 collection of assessment of benefits pledged to retire indebtedness of the
20 municipal improvement district.

21 (B) The failure to pay the supplemental assessments shall
22 be enforced by proceedings in the same manner as other delinquent
23 assessments.

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