

State of Arkansas
87th General Assembly
Regular Session, 2009

A Bill

HOUSE BILL 1557

By: Representative Reep

For An Act To Be Entitled

AN ACT TO ALLOW A SUBURBAN IMPROVEMENT DISTRICT
TO CONVEY ASSETS TO A LOCAL SCHOOL DISTRICT; AND
FOR OTHER PURPOSES.

Subtitle

TO ALLOW A SUBURBAN IMPROVEMENT DISTRICT
TO CONVEY ASSETS TO A LOCAL SCHOOL
DISTRICT.

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

SECTION 1. Arkansas Code § 14-92-237(c), concerning the dissolution of a suburban improvement district and the disposal of any remaining assets, is amended to read as follows:

(c)(1)(A) ~~In the event~~ If the commissioners vote to dissolve the district or the district is dissolved by vote of the realty owners at a public hearing, the board ~~shall convert all assets into cash and~~ shall first pay from ~~such~~ surplus funds all debts of the district, including any reasonable legal and other expenses incurred in connection with the dissolution, and dispose of the remaining assets under subdivision (c)(1)(B) of this section or subdivision (c)(2) of this section.

~~(2)(A)(B)(i)~~ The commissioners ~~then~~ shall convert all assets into cash and may refund all remaining funds of the district, pro rata, to the property owners who hold title to the property in the district at the time the refund is made.

~~(B)(i)(ii)(a)~~ The pro rata refund to the property owners shall be made on the basis of the most recent assessment or reassessment of



benefits on the parcels of property ~~prior to~~ before dissolution and shall be in the same proportion that the assessed benefits of each individual parcel of property bears to the total of the assessed benefits of all the property in the district.

~~(ii)(b)~~ (b) No A property or owner whose property is delinquent in any sum for district assessments, penalties, or interest, at the time the refund is made shall not be counted in calculating the pro rata distribution, or receive any portion of the refund.

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

(2)(A) The commissioners may transfer all remaining cash and other monetary assets and any real property and personal property to a school district located within ten (10) miles of any boundary of the district.

(B)(i) The transfer shall be made under a valid contract between the suburban improvement district and the school district.

(ii)(a) The contract shall be supported by adequate consideration.

(b) As used in this section, "adequate consideration" includes public advantage that promotes a general, suitable, and efficient system of free public schools.

(C) Within ninety (90) days after the transfer of all remaining funds and property has been completed, the board shall file a copy of the resolution of dissolution and a financial statement of the suburban improvement district, verified by all commissioners, in the office of the county clerk in the county in which the suburban improvement district is located.