

1 State of Arkansas  
2 92nd General Assembly  
3 Regular Session, 2019  
4  
5 By: Representative Kelly  
6 By: Senator J. English  
7

*As Engrossed: H3/7/19*  
**A Bill**

HOUSE BILL 1663

**For An Act To Be Entitled**

9 AN ACT TO AMEND THE LAW CONCERNING CERTAIN PROCEDURES  
10 OF IMPROVEMENT DISTRICTS; AND FOR OTHER PURPOSES.

**Subtitle**

14 TO AMEND THE LAW CONCERNING CERTAIN  
15 PROCEDURES OF IMPROVEMENT DISTRICTS; AND  
16 FOR OTHER PURPOSES.

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

21 SECTION 1. Arkansas Code Title 14, Chapter 86, is amended to add an  
22 additional subchapter to read as follows:

24 Subchapter 22 – Financial Requirements and Minimum Standards of Districts

26 14-86-2201. Definition.

27 (a) As used in this subchapter, “district” means any improvement  
28 district in Arkansas, including without limitation:

29 (1) Levee, drainage, road, irrigation, watershed, and river  
30 improvement districts formed or operating under:

31 (A) Section 14-86-101 et seq.;

32 (B) Section 14-87-101 et seq.;

33 (C) Section 14-88-101 et seq.;

34 (D) Section 14-89-101 et seq.;

35 (E) Section 14-90-101 et seq.;

36 (F) Section 14-91-101 et seq.;



- 1 (G) Section 14-92-101 et seq.;  
2 (H) The Property Owners' Improvement District Law, §  
3 14-93-101 et seq.;  
4 (I) The Municipal Property Owner's Improvement  
5 District Law, § 14-94-101 et seq.;  
6 (J) Section 14-95-101 et seq.;  
7 (K) Section 14-114-101 et seq.;  
8 (L) The Interstate Watershed Cooperation Act, § 14-  
9 115-101 et seq.;  
10 (M) The Arkansas Irrigation, Drainage, and Watershed  
11 Improvement District Act of 1949, § 14-117-101 et seq.;  
12 (N) Section 14-118-101 et seq.;  
13 (O) Section 14-119-101 et seq.;  
14 (P) Section 14-120-101 et seq.;  
15 (Q) Section 14-121-101 et seq.;  
16 (R) Section 14-122-101 et seq.;  
17 (S) Section 14-123-101 et seq.;  
18 (T) Section 14-124-101 et seq.;  
19 (U) The Rural Development Authority Act, § 14-188-  
20 101 et seq.;  
21 (V) Section 14-217-101 et seq.;  
22 (W) Section 14-218-101 et seq.;  
23 (X) Section 14-249-101 et seq.;  
24 (Y) Section 14-250-101 et seq.; and  
25 (Z) Section 14-251-101 et seq.; or  
26 (2) Levee, drainage, road, irrigation, watershed, and river  
27 improvement districts created by a special act of the General Assembly.  
28 (b) As used in this subchapter, "district" does not include levee,  
29 drainage, road, irrigation, watershed, and river improvement districts formed  
30 or operating under:  
31 (1) The Water Authority Act, § 4-35-101 et seq.;  
32 (2) The Regional Water Distribution District Act, § 14-116-101  
33 et seq.;  
34 (3) The Conservation Districts Law, § 14-125-101 et seq.;  
35 (4) Section 14-184-101 et seq.;  
36 (5) Section 14-187-101 et seq.;

- 1           (6) Section 14-282-101 et seq.;  
2           (7) Section 14-283-101 et seq.;  
3           (8) Section 14-284-101 et seq.;  
4           (9) Section 14-285-101 et seq.;  
5           (10) Section 14-286-101 et seq.;  
6           (11) Section 14-287-101 et seq.;  
7           (12) Section 14-316-101 et seq.;  
8           (13) Section 14-317-101 et seq.;  
9           (14) Section 14-318-101 et seq.;  
10           (15) Section 14-319-101 et seq.;  
11           (16) Section 14-320-101 et seq.;  
12           (17) Section 14-321-101 et seq.;  
13           (18) Section 14-322-101 et seq.;  
14           (19) Section 14-386-101 et seq.; or  
15           (20) Section 14-387-101 et seq.

16  
17           14-86-2202. Record retention and public examination of records.

18           (a) A district covered under this subchapter shall retain all  
19 financial records, bank statements, and contracts relating to the bonds,  
20 notes, or other evidences of indebtedness undertaken by the district during  
21 the existence of the district and for five (5) years following dissolution of  
22 the district.

23           (b) Any person who negligently violates any of the provisions of this  
24 subchapter is guilty of a Class C misdemeanor for each violation.

25           (c) Any person who purposely violates any of the provisions of this  
26 subchapter is guilty of a Class B misdemeanor for each violation.

27           (d) The Freedom of Information Act of 1967, § 25-19-101 et seq.,  
28 applies to records retained under this subchapter.

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30           14-86-2203. Subsequent indebtedness.

31           (a) After the initial creation, bonding, and indebtedness of a  
32 district, but before subsequent bonds, notes, or indebtedness are incurred  
33 under the authority of this subchapter, a majority of the owners of record in  
34 the district, including no less than a majority of the total number of real  
35 property owners in the area affected if the majority of owners owns more than  
36 half of the acreage affected, shall be required to authorize the issuance of

1 bonds or the incurring of notes or indebtedness by a vote called by the  
2 governing body of the district for that purpose.

3 (b) The governing body shall not require a vote if:

4 (1) The indebtedness is necessary to fulfill directives of a  
5 regulatory governmental agency;

6 (2) If the district has one thousand (1,000) or more owners of  
7 record; or

8 (3) If the bonds, notes, or indebtedness do not include the  
9 assessed property as specific collateral for the bonds, notes, or  
10 indebtedness.

11 (c) Before incurring the indebtedness, the secretary or other  
12 administrative officer of the governing body shall:

13 (1) Give notice of the required action and improvement by  
14 publication one (1) time per week for two (2) weeks in a newspaper published  
15 and having a general circulation in the county; and

16 (2) Transmit a copy of the notice by certified mail to each  
17 owner of real property within the boundaries of the district.

18  
19 14-86-2204. Nominal assessments.

20 (a) All lands shall be assessed as to value and taxed within the  
21 boundaries of the district, and no exclusions or nominal assessments apply  
22 except under subsection (b) of this section.

23 (b) At its option, any state agency or commission may choose to be  
24 excluded from any newly formed district.

25  
26 14-86-2205. Minimum standards for water and sewer improvements made by  
27 districts – Rules.

28 (a) The Department of Health shall promulgate rules that establish  
29 minimum standards for water and sewer improvements made by districts under  
30 this subchapter.

31 (b)(1) The department shall promulgate rules necessary to implement  
32 this section.

33 (2)(A) When adopting the initial rules to implement this  
34 section, the final rule shall be filed with the Secretary of State for  
35 adoption under § 25-15-204(f):

36 (i) On or before January 1, 2020; or

1 (ii) If approval under § 10-3-309 has not occurred  
2 by January 1, 2020, as soon as practicable after approval under § 10-3-309.

3 (B) The department shall file the proposed rule with the  
4 Legislative Council under § 10-3-309(c) sufficiently in advance of January 1,  
5 2020, so that the Legislative Council may consider the rule for approval  
6 before January 1, 2020.

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9 */s/Kelly*  
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