

**65.166 Fiscal court procedure for alteration or dissolution of district.**

- (1) Upon receipt of a petition and following a public hearing as provided in this section, the fiscal court may alter the boundaries of a district by reducing its area, or may dissolve a district if that district has for a period of two (2) consecutive years failed to provide the services for which it was established, or if all or a portion of such services have been provided by some other entity. If the district is located in more than one (1) county, the fiscal court of each county containing a portion of the district must vote to dissolve the district before such dissolution may take effect.
- (2) Upon receipt of a petition signed by at least thirty percent (30%) of that class of citizens who may by law petition for the creation of the district, the fiscal court shall schedule a public hearing on the matter of alteration or dissolution and advertise such hearing as provided in KRS 424.130.
- (3) The petition shall be in substantially the following form: "The undersigned (registered voters, qualified voters, freeholders or landowners as determined by subsection (2) of this section) living within (name of special district and containing a metes and bounds description of the district) hereby request that the fiscal court consider the alteration or dissolution of (name of district) pursuant to this section." The petition shall conspicuously state in layman's terms that any legal obligations of the district must be satisfied before the district can be dissolved and that the citizens of the district shall be responsible for the satisfaction of any such obligations. Signatures on the petition shall be dated, the last no later than ninety (90) days after the first.
- (4) At the hearing, the burden of proving that the district is providing or taking substantial steps toward providing the services for which it was created, or that no other entity is providing the service, shall be upon the district board of directors. In determining whether to alter, dissolve or to take no action in regard to the district, the fiscal court shall consider testimony offered at the hearing and any other relevant information including but not limited to the following:
  - (a) Present and projected need for the service provided by the district;
  - (b) Population density of the district;
  - (c) Existence of alternate providers of services;
  - (d) Revenue base of the district such as assessed valuation, bonding capacity and user fees; and
  - (e) Consequences of alteration of the district's boundaries on the effectiveness and efficiency of the district.
- (5) Within sixty (60) days following the hearing, the fiscal court shall set forth its written findings of fact in approving or disapproving the alteration or dissolution of the district.
  - (a) If the fiscal court determines to dissolve a district, it shall determine a method to satisfy any legal obligations of the district which might be affected thereby. Upon satisfaction of its legal obligations, the district shall be legally dissolved; any special ad valorem tax imposed by the district shall be removed

from the tax rolls by the county clerk; and any assets of the district shall be assumed by the county.

- (b) If the fiscal court determines to alter the boundaries of the district, it shall draw the new boundaries of the district and determine the proportional amount of existing legal obligations of the area which is to be excluded from the district. Upon the satisfaction of such obligations, the new boundaries of the district shall be legally effective and any affected taxpayers shall be removed from the tax rolls of the district.
- (6) If the final decision of the fiscal court or the Circuit Court, in the case of an appeal as provided in KRS 65.168, is against the alteration or dissolution of the district, no attempt to alter or dissolve the district pursuant to this section shall be made within three (3) years of the decision.

**Effective:** July 15, 1980

**History:** Created 1980 Ky. Acts ch. 369, sec. 2, effective July 15, 1980.