

Indiana Conservancy Districts

Indiana Code 14-33

Frequently Asked Questions

What is a conservancy district?

- The Indiana Conservancy Act (IC 14-33) provides a mechanism by which landowners, through a circuit court process, can organize a special taxing district (a local unit of government) to solve specific local issues related to water resources management.

What issues can be addressed through the Conservancy Act?

- Flood prevention and control.
- Improving drainage.
- Providing for irrigation.
- Providing water supply, including treatment and distribution, for domestic, industrial, and public use.
- Providing for the collection, treatment, and disposal of sewage and other liquid wastes.
- Developing forests, wildlife areas, parks, and recreational facilities where feasible in connection with beneficial water management.
- Preventing the loss of topsoil from injurious water erosion.
- Storage of water for augmentation of stream flow.
- Operation, maintenance, and improvement of any work of improvement for water based recreational purposes, or other work of improvement that could have been built for any other purpose authorized by the Act.

How is a Conservancy District formed?

- Often a local steering group first forms to research the issues and gather input from those who would be benefited/affected.
- To form a district, a petition is created and then circulated in the area to be included in and served by the proposed district. This petition is then filed in the circuit court of the county having the most land in the proposed district.
- The percentage of signatures on the petition is dependent on the number of freeholders owning land in the proposed district or proportion of all freeholders in the proposed district.
- A municipality may file a petition to initiate a proposed district by ordinance adopted by the legislative body.

What area can be in a Conservancy District?

- Boundaries of a conservancy district are based upon the identification of properties expected to be benefited by the establishment of the district.
- Any area may be included in a district regardless of its political boundaries; however, the district needs to be contiguous with all other parts of the district and cannot overlap another district established for the same purpose.

How is a Conservancy District established?

- Once the circuit court determines the petition bears the necessary signatures and it is correct as to form and content, the court will refer the petition to the Natural Resources Commission (NRC).
- The NRC conducts a public hearing, gathers input, and prepares a report to the court. Items in this technical review include whether the proposed district:
 - 1) Appears to be necessary.
 - 2) Holds promise of economic and engineering feasibility.
 - 3) Offers benefits in excess of costs and damages.
 - 4) Serves the public health immediately or prospectively.
 - 5) Proposes to cover and serve a proper area.
 - 6) Could be compatible with other water management or water supply projects.
- When the circuit court receives the fact-finding report from the NRC, the court will schedule a hearing regarding the establishment of the district. The statute provides an opportunity for additional evidence to be given at this hearing.

Who provides oversight of the Conservancy District?

- A circuit court determines whether to approve the establishment or dissolution of a conservancy district and has jurisdiction for oversight of an existing conservancy district.
- Budgets passed by the board of directors must also be approved by the Department of Local Government Finance.
- Conservancy districts are also subject to periodic audits by the State Board of Accounts.
- Permits from various local, State and Federal agencies may be required for various work conducted by a Conservancy District.

Who manages the Conservancy District?

- Freeholders serve on the board of directors and provide management for a district.
- After a conservancy district is established by the circuit court, an initial board of directors is appointed by the county commissioners.
- The subsequent directors are then elected by the freeholders of the district.
- Some boards hire staff to conduct the business of the district.

Who controls the activities engaged in by a Conservancy District?

- The jurisdiction over activities of a conservancy district ultimately lies with the circuit court that established the district for specific purposes.
- The Natural Resources Commission acts as a friend to the court by providing technical review and recommendations for specified district activities, which include:

establishment, district plan, unit of work, addition of area, addition of purpose, and dissolution of a district.

- District leadership, decision making and the day to day operations, however are accomplished through the conservancy district's board directors.

What is the role of the Board of Directors?

- One of the first responsibilities of the initial board of directors is to develop a district plan. The district plan consists of an engineering report that sets forth the general, comprehensive plan for accomplishment of the purpose or purposes for which the district was established.
- The board of directors shall be responsible to place the district plan in operation by implementing the approved purpose(s) and by providing operation and maintenance as provided for in the district plan.

Who approves the district plan?

- After the board of directors prepares the district plan, and according to statute it must be reviewed and approved by the NRC. According to the nonrule policy document developed by the Natural Resources Commission (Information Bulletin #36), the authority to approve or disapprove a district plan has been delegated from the Natural Resources Commission to the Director of the DNR, Division of Water.
- If the plan accomplishes, in an economical manner, the purpose or purposes for which the district is established, it will be forwarded to the circuit court for review and final approval.

How does a Conservancy District pay for its works of improvement?

- Initially to cover legal and engineering start up costs associated with the formation of a district, steering groups sometimes seek voluntary contributions from future freeholders or existing property owner associations.
- Expenses and obligations of the district may be paid from any of the following:
 - 1) The receipt of gifts from any source.
 - 2) The receipt of funds from governmental agencies.
 - 3) The receipt of funds from the sale of services accomplished by the purpose or purposes for which the district was established.
 - 4) The receipt of funds from the collection of assessments from land that receives exceptional benefits from the operation of the district plan.
 - 5) The collection of assessments for maintenance and operation of works of improvement.
- Under the Indiana Conservancy Act, all of the real property included in the district constitutes a taxing district for the purpose of levying special benefit taxes to pay for the expenses of establishing the district, general preliminary and administrative expenses, and operating and maintaining the district. This special tax equals the amount of benefits received and must be based on return for the benefits.

For more information about the Indiana Conservancy District Act contact:

Indiana Department of Natural Resources
Division of Water
402 West Washington Street, Room W-264
Indianapolis, IN 46204

317-232-4160 or

Toll free at 1-877-928-3755

Email: water_inquiry@dnr.state.in.us or visit our website at: www.in.gov/dnr/water/

Information about the Association of Indiana Conservancy Districts can be found at:
<http://aicd.info/>