

1 State of Arkansas  
2 95th General Assembly  
3 Regular Session, 2025  
4

# A Bill

SENATE BILL 421

5 By: Senator Hester  
6 By: Representative Beaty Jr.  
7

## For An Act To Be Entitled

9 AN ACT AUTHORIZING THE ARKANSAS NATURAL RESOURCES  
10 COMMISSION TO ISSUE GENERAL OBLIGATION BONDS TO  
11 FINANCE AND REFINANCE THE DEVELOPMENT OF WATER, WASTE  
12 DISPOSAL, POLLUTION CONTROL, ABATEMENT AND  
13 PREVENTION, DRAINAGE, IRRIGATION, FLOOD CONTROL, AND  
14 WETLANDS AND AQUATIC RESOURCES PROJECTS TO SERVE THE  
15 CITIZENS OF THE STATE OF ARKANSAS, IN TOTAL PRINCIPAL  
16 AMOUNT NOT TO EXCEED FIVE HUNDRED MILLION DOLLARS  
17 (\$500,000,000) WITH NO MORE THAN ONE HUNDRED SIXTY-  
18 FIVE MILLION DOLLARS (\$165,000,000) IN TOTAL  
19 PRINCIPAL AMOUNT OF THE GENERAL OBLIGATION BONDS TO  
20 BE ISSUED TO FINANCE AND REFINANCE THE DEVELOPMENT OF  
21 IRRIGATION FACILITIES, IN SERIES FROM TIME TO TIME IN  
22 PRINCIPAL AMOUNTS NOT TO EXCEED, WITHOUT PRIOR  
23 APPROVAL OF THE GENERAL ASSEMBLY, SIXTY MILLION  
24 DOLLARS (\$60,000,000) IN ANY TWO-YEAR PERIOD  
25 BEGINNING JULY 1 OF EACH ODD-NUMBERED YEAR;  
26 SUBMITTING THE QUESTION OF THE ISSUANCE OF BONDS AT  
27 THE 2026 GENERAL ELECTION OR A SPECIAL ELECTION  
28 CALLED FOR THAT PURPOSE; PRESCRIBING OTHER RELATED  
29 MATTERS; AND FOR OTHER PURPOSES.  
30

## Subtitle

33 TO AUTHORIZE THE ARKANSAS NATURAL  
34 RESOURCES COMMISSION TO ISSUE GENERAL  
35 OBLIGATION BONDS FOR THE DEVELOPMENT OF  
36 WATER, WASTE DISPOSAL, AND POLLUTION



1 ABATEMENT PROJECTS.  
23 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
45 SECTION 1. Arkansas Code Title 15, Chapter 20, is amended to add an  
6 additional subchapter to read as follows:7 Subchapter 15 – Arkansas Water, Waste Disposal, and Pollution Abatement  
8 Facilities Financing Act of 2025  
910 15-20-1501. Title.11 This subchapter shall be known and may be cited as the “Arkansas Water,  
12 Waste Disposal, and Pollution Abatement Facilities Financing Act of 2025”.  
1314 15-20-1502. Definitions.15 As used in this subchapter:16 (1) “Aquatic resources” means ecological functions, services,  
17 and values provided by the waters of the United States that are subject to  
18 compensatory mitigation under the United States Department of the Army  
19 permits under § 404 of the Clean Water Act, 33 U.S.C. § 1344, and §§ 9 and 10  
20 of the Rivers and Harbors Act, 33 U.S.C. §§ 401 and 403, or other federal law  
21 requiring mitigation;22 (2) “Bond biennium” means a two-year period beginning July 1 of  
23 each odd-numbered year, beginning July 1, 2027;24 (3) “Bonds” means bonds, notes, interim certificates, or other  
25 evidences of indebtedness;26 (4) “Debt service” means principal, interest, redemption  
27 premiums, if any, trustee’s fees, paying agent’s fees, dissemination agent’s  
28 fees, and similar servicing fees relative to a bond;29 (5) “Develop” means to plan, design, construct, acquire by  
30 purchase, own, operate, rehabilitate, lease as lessor or lessee, enter into  
31 lease-purchase agreements with respect to, lend, make grants in respect of,  
32 or install or equip any lands, buildings, improvements, machinery, equipment,  
33 or other properties of whatever nature, real, personal, or mixed;34 (6) “Drainage” means the removal or diversion of water from  
35 lands through natural or artificial means;36 (7) “Federal Deposit Insurance Corporation” means the Federal

1 Deposit Insurance Corporation or its successor that insures commercial banks;

2 (8) "Flood control" means:

3 (A) Drainage, levee, and flood prevention improvements for  
4 protection from water-induced damages;

5 (B) Adjustments in land use and facilities designed to  
6 reduce flood damage from overflow or backwater due to major storms; and

7 (C) Facilities designed to collect, contain, or convey  
8 water within natural watercourses or other waterways;

9 (9) "General revenues of the state" means the revenues described  
10 and enumerated in § 19-6-201 of the Revenue Classification Law, § 19-6-101 et  
11 seq., or in any successor law;

12 (10) "Irrigation" means the production or transportation of  
13 water for agricultural uses through artificial or natural conveyances for  
14 watering crops or other agricultural products;

15 (11) "Local entity" means:

16 (A) A nonprofit corporation;

17 (B) A county, municipality, conservation district,  
18 improvement district, drainage district, irrigation district, levee district,  
19 regional water distribution district, public facilities board, public water  
20 authority, rural development authority, solid waste authority, regional  
21 wastewater treatment district, regional solid waste management district,  
22 rural water association, or school district in the state;

23 (C) An agency or instrumentality of any entity listed in  
24 subdivision (11)(A) or subdivision (11)(B) of this section; or

25 (D) An agency or instrumentality of the state, including  
26 without limitation the Arkansas Natural Resources Commission;

27 (12) "Nationally recognized rating agency" means Moody's  
28 Investors Service, Inc., S & P Global, Fitch Ratings, or any other nationally  
29 recognized rating agency approved by the State Investing Office;

30 (13) "Person" means a local entity or an individual,  
31 corporation, trust, limited liability company, or partnership;

32 (14) "Pollution abatement" means the reduction, prevention,  
33 recycling, control, or elimination by appropriate methods of contamination or  
34 pollution, or other alteration of the physical, chemical, or biological  
35 properties of land or waters of the state or of the discharge of a liquid,  
36 gaseous, or solid substance as will or is likely to create a nuisance or

1 render any land or waters of the state harmful or detrimental or injurious to  
2 public health, safety, or the welfare of individuals, to domestic,  
3 commercial, industrial, agricultural, recreational, or other legitimate  
4 beneficial uses, or to livestock, wild animals, birds, fish, or other aquatic  
5 life;

6 (15) "Prior act" means Acts 2007, No. 631, as now or hereafter  
7 amended;

8 (16) "Program" means the Water, Waste Disposal, and Pollution  
9 Abatement Facilities Development Program of the commission under which the  
10 commission will fund loans or grants to local entities or persons;

11 (17)(A) "Project" means any land, building, improvement,  
12 machinery, equipment, or other property, real, personal, or mixed, or any  
13 combination of land, buildings, improvements, machinery, equipment, or other  
14 property, and programs using the property, developed in pursuance of the  
15 purposes of this subchapter, including without limitation:

16 (i) The production, impoundment, treatment, and  
17 transportation of water;

18 (ii) The collection, treatment, and disposition of  
19 waste;

20 (iii) Pollution abatement programs;

21 (iv) Drainage or flood control facilities;

22 (v) Irrigation facilities; and

23 (vi) The preservation and development of wetlands  
24 and aquatic resources.

25 (B) "Project" includes projects for:

26 (i) Agricultural, administrative, research,  
27 residential, recreational, commercial, or industrial purposes;

28 (ii) The use and benefit of local entities, the  
29 commission, and other persons; and

30 (iii) Facilities and improvements that are  
31 necessary, ancillary, or related to a project;

32 (18) "Project costs" means all or any part of the administrative  
33 costs of the commission in connection with the Water, Waste Disposal, and  
34 Pollution Abatement Facilities Development Program and the costs of  
35 developing any project, costs incidental or appropriate to the project,  
36 including without limitation all costs to the commission associated with the

1 development or operation of any project in a supervisory capacity, and costs  
 2 incidental or appropriate to the financing of the project, including without  
 3 limitation capitalized interest, costs of issuance of and appropriate  
 4 reserves for the bonds, loan or commitment fees, loan or grant administration  
 5 fees, and costs for engineering, legal, and other administrative and  
 6 consultant services;

7 (19) "State Investing Office" means the Treasurer of State for  
 8 the investment of any funds established on the books of the State Treasury  
 9 and the commission for the investment of any funds held outside the State  
 10 Treasury;

11 (20) "Waste" means a liquid or solid produced as an undesirable  
 12 byproduct of any activity;

13 (21) "Water" means any waters of the state, including surface  
 14 water and groundwater; and

15 (22) "Wetlands" means land that:

16 (A) Has a predominance of hydric soils;

17 (B) Is inundated or saturated by surface water or  
 18 groundwater at a frequency and duration sufficient to support a prevalence of  
 19 hydrophytic vegetation typically adapted for life in saturated soil  
 20 conditions; and

21 (C) Under normal circumstances supports a prevalence of  
 22 the hydrophytic vegetation typically adapted for life in saturated soil  
 23 conditions.

24  
 25 15-20-1503. Authority to issue bonds.

26 (a)(1) The Arkansas Natural Resources Commission may issue bonds of  
 27 the State of Arkansas to be known as "State of Arkansas Water, Waste  
 28 Disposal, and Pollution Abatement Facilities general obligation bonds", in  
 29 total principal amount not to exceed five hundred million dollars  
 30 (\$500,000,000), for the purposes of this subchapter.

31 (2) However, no more than one hundred sixty-five million dollars  
 32 (\$165,000,000) in total principal amount of bonds shall be issued to finance  
 33 projects for irrigation facilities.

34 (3) The bonds may be issued in one (1) or more series as  
 35 required under this subchapter.

36 (b) Unless the General Assembly authorizes a greater principal amount

1 to be issued during a bond biennium, the total principal amount of bonds to  
2 be issued during any bond biennium shall not exceed sixty million dollars  
3 (\$60,000,000).

4 (c)(1) Before any bonds may be issued during a bond biennium under  
5 this subchapter, the commission shall submit to the Governor a written plan:

6 (A) Setting forth criteria to be used by the commission in  
7 choosing the projects to be financed with the proceeds derived from the sale  
8 of the bonds or the programs for which funds may be provided by the  
9 commission to finance projects, or both; and

10 (B) Requesting authorization for the projected maximum  
11 principal amount of bonds required to be issued in the bond biennium.

12 (2) Upon receipt of a written plan submitted under subdivision  
13 (c)(1) of this section, the Governor shall:

14 (A) Confer with the Chief Fiscal Officer of the State  
15 concerning whether the annual amount of general revenue funds required to be  
16 set aside from the general revenues of the state under the Revenue  
17 Stabilization Law, § 19-5-101 et seq., for payment of debt service  
18 requirements in connection with the bonds during either year of the bond  
19 biennium in which the bonds are to be issued would require moneys from the  
20 general revenues of the state that would work undue hardship upon any agency  
21 or program supported from the general revenues of the state under the Revenue  
22 Stabilization Law, § 19-5-101 et seq.; and

23 (B) Upon compliance with subdivision (c)(2)(A) of this  
24 section, obtain the advice of:

25 (i) The Joint Budget Committee if the General  
26 Assembly is in session; or

27 (ii) The Legislative Council if the General Assembly  
28 is not in session.

29 (d)(1) If the Governor deems it to be in the public interest, he or  
30 she by proclamation shall authorize the commission to proceed with the  
31 issuance of the bonds in one (1) or more series up to the maximum principal  
32 amount for the bond biennium approved by the Governor.

33 (2)(A) If the Governor refuses to give his or her approval for  
34 the issuance of the bonds by declining to issue a proclamation approving the  
35 issuance, he or she shall promptly notify the commission in writing, and the  
36 bonds shall not be issued.

1                   (B) The commission may resubmit a request to the Governor  
2 for the approval of the issuance of the bonds.

3                   (C) The issue as resubmitted to the Governor shall be  
4 dealt with in the same manner as provided in this section for the initial  
5 request for authority to issue the bonds.

6  
7           15-20-1504. Terms and characteristics of bonds.

8           (a) State of Arkansas Water, Waste Disposal, and Pollution Abatement  
9 Facilities general obligation bonds issued under this subchapter shall be  
10 issued in series in amounts sufficient to finance or refinance all or any  
11 part of project costs with the respective series to be designated in  
12 alphabetical order or by the year in which issued, or both.

13           (b)(1) Each series of bonds shall have the date as the Arkansas  
14 Natural Resources Commission determines and shall mature or be subject to  
15 mandatory sinking fund redemption as determined by the commission over a  
16 period ending not later than thirty-five (35) years after the date of the  
17 bonds of each series.

18           (2) Pending the issuance of bonds under this subchapter, the  
19 commission may issue temporary notes maturing not more than five (5) years  
20 from the date of issuance to be exchanged for or paid from the proceeds of  
21 bonds when the bonds are issued.

22           (c)(1) Each series of bonds issued under this subchapter shall bear  
23 interest whether or not subject to federal income taxation at the rate or  
24 rates accepted by the commission.

25           (2) Interest shall be payable at the times determined by the  
26 commission.

27           (d) The commission shall determine:

28                   (1) The form of the bonds;

29                   (2) The denomination of the bonds;

30                   (3) Whether the bonds may be exchanged for bonds of another form  
31 or denomination bearing the same rate of interest and date of maturity;

32                   (4) Whether the bonds may be payable within or without the  
33 state;

34                   (5) Whether the bonds may be subject to redemption before  
35 maturity, including:

36                   (A) The manner of redemption; and

1                   (B) The redemption prices; and

2                   (6) Any other terms and conditions of the bonds.

3                   (e) Bonds issued under this subchapter shall have all the qualities of  
 4 negotiable instruments or securities under the laws of the state, subject to  
 5 the provision for registration of ownership.

6  
 7                   15-20-1505. Purpose of bonds.

8                   (a) State of Arkansas Water, Waste Disposal, and Pollution Abatement  
 9 Facilities general obligation bonds issued under this subchapter shall be  
 10 issued to finance on a temporary or permanent basis or to refinance and  
 11 develop one (1) or more projects.

12                   (b) The proceeds of bonds issued under this subchapter shall be  
 13 applied to:

14                   (1) The payment of project costs and the costs and expenses of  
 15 issuance of the bonds or in connection with a project refinancing;

16                   (2) The repayment of indebtedness incurred to pay project costs;  
 17 or

18                   (3) For the refunding of bonds as provided in § 15-20-1513.

19  
 20                   15-20-1506. Resolutions and trust indentures.

21                   (a)(1) State of Arkansas Water, Waste Disposal, and Pollution  
 22 Abatement Facilities general obligation bonds issued under this subchapter  
 23 shall be authorized by resolution of the Arkansas Natural Resources  
 24 Commission.

25                   (2) Each resolution authorizing bonds under this subchapter  
 26 shall contain the terms, covenants, and conditions deemed desirable for the  
 27 bonds, including without limitation conditions pertaining to:

28                   (A) The establishment and maintenance of funds and  
 29 accounts;

30                   (B) The deposit and investment of revenues and of bond  
 31 proceeds; and

32                   (C) The rights and obligations of the state, its officers  
 33 and officials, the commission, and the registered owners of the bonds.

34                   (3) A resolution of the commission to authorize bonds under this  
 35 section may provide for the execution and delivery by the commission of one  
 36 (1) or more trust indentures with one (1) or more banks or trust companies



1 located within or without the state, containing any of the terms, covenants,  
2 and conditions stated in subdivision (a)(2) of this section.

3 (4) A trust indenture is binding upon the state and its  
4 agencies, officers, and officials to the extent stated in this subchapter.

5 (b) A resolution or trust indenture adopted or executed under this  
6 section shall provide that power is reserved to:

7 (1) Apply to the payment of debt service on the bonds issued or  
8 secured under all or any part of the revenues that may be derived from a  
9 project financed by the bonds or financed by the commission in some other  
10 manner; and

11 (2) The extent of revenues that the commission elects to apply  
12 to debt service, to release from any requirement of the resolution or trust  
13 indenture other revenues and resources of the state, including without  
14 limitation the general revenues of the state required to be transferred under  
15 § 15-20-1511.

16  
17 15-20-1507. Form of bond – Signatures.

18 (a) Each State of Arkansas Water, Waste Disposal, and Pollution  
19 Abatement Facilities general obligation bond issued under this subchapter  
20 shall:

21 (1) Be signed with the manual or facsimile signatures of the  
22 Governor, the Chair of the Arkansas Natural Resources Commission, and the  
23 Treasurer of State; and

24 (2) Have affixed, imprinted, or lithographed on the bond the  
25 Great Seal of the State of Arkansas.

26 (b) Any interest coupons attached to bonds issued under this  
27 subchapter shall be signed with the facsimile signature of the Treasurer of  
28 State.

29 (c) Delivery of the bonds and coupons executed under this subchapter  
30 is valid notwithstanding any change in persons holding the offices occurring  
31 after the bonds have been executed.

32  
33 15-20-1508. Sale of bonds.

34 (a) State of Arkansas Water, Waste Disposal, and Pollution Abatement  
35 Facilities general obligation bonds issued under this subchapter may be sold:

36 (1) Either at public or private sale in a manner and upon the

1 terms that the Arkansas Natural Resources Commission determines to be  
2 reasonable and expedient for the purposes for which the commission was  
3 created; and

4 (2) At the price the commission determines acceptable, including  
5 sale at a discount.

6 (b) The commission may employ administrative agents, fiscal agents,  
7 underwriters, architects, accountants, engineers, and legal counsel and may  
8 pay any person employed by the commission reasonable compensation from the  
9 proceeds of the bonds.

10 (c) The following may be paid from the proceeds of the bonds:

11 (1) Fees of any trustee or paying agent;

12 (2) The costs of publication of notices and of printing of the  
13 bonds, official statements, and other documents relating to the sale of the  
14 bonds;

15 (3) The fees of any rating agency; and

16 (4) Other reasonable costs of issuing and selling the bonds  
17 incurred by the commission.

18  
19 15-20-1509. Proceeds of bonds.

20 (a) The proceeds from the sale of State of Arkansas Water, Waste  
21 Disposal, and Pollution Abatement Facilities general obligation bonds issued  
22 under this subchapter together with all revenues derived by the Arkansas  
23 Natural Resources Commission from any project financed or refinanced under  
24 this subchapter that are appropriated, allocated, or otherwise set aside by  
25 the commission for the payment of the bonds and from any other project that  
26 are appropriated, allocated, or otherwise set aside by the commission for the  
27 payment of the bonds, shall be deposited by the recipient of the proceeds, as  
28 received, into trust funds either established in the State Treasury, or into  
29 accounts established outside the State Treasury in the name of the  
30 commission, to accomplish the purposes of this subchapter, in the amounts or  
31 portions stated in the resolution or trust indenture authorizing or securing  
32 the bonds issued to finance or refinance the development of projects.

33 (b)(1) There is established as a trust fund in the State Treasury an  
34 account designated as the "Water, Waste Disposal, and Pollution Abatement  
35 Facilities Financing Act of 2025 Bond Fund" that is created to provide for  
36 payment of all or a part of the debt service in connection with bonds issued

1 under this subchapter.

2 (2)(A) The Treasurer of State shall establish separate accounts  
3 and subaccounts within the Water, Waste Disposal, and Pollution Abatement  
4 Facilities Financing Act of 2025 Bond Fund to correspond to the applicable  
5 series of bonds.

6 (B) In addition, there may be created in the State  
7 Treasury such other funds, accounts, or subaccounts as the commission may  
8 determine to be necessary to accomplish the purposes of this subchapter.

9 (c)(1) All procedures and methods for the application of proceeds of  
10 any series of bonds to the financing or refinancing of project costs shall be  
11 stated in writing.

12 (2) Written procedures and methods under subdivision (c)(1) of  
13 this section:

14 (A) Shall be maintained as a part of the records of the  
15 commission; and

16 (B) May include without limitation:

17 (i) Development of projects to be owned, operated,  
18 and maintained by the commission;

19 (ii) Grants to local entities and the commission;

20 (iii) Loans to local entities or persons or the  
21 purchase of bonds or other general or special obligation debt of local  
22 entities;

23 (iv) Development of projects to be leased to or  
24 operated by local entities;

25 (v) Development of projects to be purchased at one  
26 (1) time or by installment purchase by local entities;

27 (vi) Establishment of funds, including revolving  
28 funds for the lending of money to persons to be repaid into the funds for the  
29 development of projects;

30 (vii) Matching of proceeds of bonds with moneys  
31 provided by a local entity or other persons;

32 (viii) Matching of moneys provided under other laws,  
33 including § 15-22-501 et seq.; the Arkansas Water Resources Cost Share  
34 Finance Act, § 15-22-801 et seq.; The Water, Sewer, and Solid Waste  
35 Management Systems Finance Act of 1975, § 14-230-101 et seq.; § 15-22-1101 et  
36 seq.; and § 15-5-901 et seq.;

1                   (ix) Establishment of funds to refund or refinance  
2 bonds issued under this subchapter, bonds issued under the prior act, and the  
3 bonds or other debt of local entities that were incurred for the purpose of  
4 paying project costs.

5           (d) Any arrangements undertaken under subsection (c) of this section  
6 whereby a local entity will administer funds composed, in whole or in part,  
7 of proceeds of bonds shall include a provision for the auditing no less than  
8 annually of the funds.

9           (e) Proceeds from the sale of the bonds issued under this subchapter,  
10 together with all revenues derived by the commission from any project  
11 financed or refinanced under this subchapter or from any other project that  
12 are appropriated, allocated, or otherwise set aside by the commission for the  
13 payment of the bonds, may be invested and reinvested by the State Investing  
14 Office in any of the following:

15                   (1) Direct obligations of the United States, including  
16 obligations issued or held in book-entry form on the books of the United  
17 States Department of the Treasury or obligations that are unconditionally  
18 guaranteed as to principal and interest by the United States;

19                   (2) Bonds, debentures, notes, or other evidences of indebtedness  
20 issued or guaranteed by any agencies of the United States Government that are  
21 backed by the full faith and credit of the United States Government;

22                   (3) Senior debt obligations issued or guaranteed by agencies of  
23 the United States Government that are non-full faith and credit agencies;

24                   (4) Money market funds investing exclusively in the investments  
25 described in subdivision (e)(1), subdivision (e)(2), or subdivision (e)(3) of  
26 this section;

27                   (5) Certificates of deposit providing for deposits secured at  
28 all times by collateral described in subdivision (e)(1), subdivision (e)(2),  
29 or subdivision (e)(3) of this section if:

30                           (A) The certificates of deposit are issued by commercial  
31 banks whose deposits are insured by the Federal Deposit Insurance Corporation  
32 and whose collateral is held by a third party; and

33                           (B) The state investing office or its assigns have a  
34 perfected first security interest in the collateral;

35                   (6) Certificates of deposit, savings accounts, deposit accounts,  
36 or money market deposits, all of which are fully insured by the Federal

1 Deposit Insurance Corporation;

2 (7) Bonds or notes issued by the state, a municipality, county,  
3 school district, community college district, or regional solid waste  
4 management district in the state, or an agency or instrumentality of the  
5 state;

6 (8) Investment agreements with financial institutions or  
7 insurance companies that are rated in one (1) of the two (2) highest rating  
8 categories of a nationally recognized rating agency;

9 (9) Repurchase agreements providing for the transfer of  
10 securities from a dealer bank or securities firm to the State Investing  
11 Office and the transfer of cash from the State Investing Office to the dealer  
12 bank or securities firm with an agreement that the dealer bank or securities  
13 firm will repay the cash plus a yield to the State Investing Office in  
14 exchange for the securities at a specified date if the repurchase agreements  
15 satisfy the following criteria:

16 (A) Repurchase agreements must be between the State  
17 Investing Office and a dealer bank or securities firm described as follows:

18 (i) Dealers with at least one hundred million  
19 dollars (\$100,000,000) in capital; or

20 (ii) Banks whose deposits are insured by the Federal  
21 Deposit Insurance Corporation; and

22 (B) The written repurchase agreement contract shall  
23 include the following:

24 (i) Securities that are acceptable for transfer are  
25 those listed in subdivision (e)(1), subdivision (e)(2), or subdivision (e)(3)  
26 of this section;

27 (ii) The term of the repurchase agreement may be up  
28 to thirty (30) days;

29 (iii) The collateral shall be delivered to the State  
30 Investing Office, the trustee if the trustee is not supplying the collateral,  
31 or to a third party acting as agent for the trustee if the trustee is  
32 supplying the collateral, before or at the time of the payment and perfection  
33 by possession of certificated securities; and

34 (iv)(a) The securities must be valued weekly,  
35 marked-to-market at current market price plus accrued interest.

36 (b) The value of collateral shall be equal to

1 one hundred three percent (103%) of the amount of cash transferred by the  
 2 State Investing Office to the dealer bank or security firm under the  
 3 repurchase agreement plus accrued interest.

4 (c) If the value of securities held as  
 5 collateral declines below one hundred three percent (103%) of the value of  
 6 the cash transferred by the State Investing Office, then additional cash,  
 7 acceptable securities, or a combination of cash and securities shall be  
 8 transferred and held by the State Investing Office; and

9 (10) Any other investment authorized by state law.

10  
 11 15-20-1510. Full faith and credit of state pledged to repay bonds.

12 State of Arkansas Water, Waste Disposal, and Pollution Abatement  
 13 Facilities general obligation bonds issued under this subchapter shall be:

14 (1) The direct general obligations of the state for the payment  
 15 of debt service on which the full faith and credit of the state are  
 16 irrevocably pledged so long as any such bonds are outstanding; and

17 (2) Payable from the general revenues of the state, and the  
 18 amount of general revenues of the state as is necessary is and shall remain  
 19 pledged to the payment of debt service on the bonds.

20  
 21 15-20-1511. Payment of debt service on the bonds.

22 (a)(1) On or before the commencement of each fiscal year, the Chief  
 23 Fiscal Officer of the State shall determine the estimated amount required for  
 24 payment of all or a part of the debt service on the State of Arkansas Water,  
 25 Waste Disposal, and Pollution Abatement Facilities general obligation bonds  
 26 issued under this subchapter during the fiscal year and deduct from the  
 27 estimated moneys to be available to the Arkansas Natural Resources Commission  
 28 from other sources to determine what amount of general revenues of the state  
 29 will be required.

30 (2) The Chief Fiscal Officer of the State shall certify the  
 31 estimated amount determined under subdivision (a)(1) of this section to the  
 32 Treasurer of State.

33 (3) The Treasurer of State shall then make monthly transfers  
 34 from the State Apportionment Fund to the Water, Waste Disposal, and Pollution  
 35 Abatement Facilities Financing Act of 2025 Bond Fund of the amount of general  
 36 revenues of the state required to pay the maturing debt service on bonds

1 issued under this subchapter.

2 (b)(1) The obligation to make monthly transfers of general revenues of  
3 the state from the State Apportionment Fund to the Water, Waste Disposal, and  
4 Pollution Abatement Facilities Financing Act of 2025 Bond Fund shall  
5 constitute a first charge against the general revenues of the state before  
6 all other uses to which the general revenues of the state are devoted, either  
7 under present law or under any laws that may be enacted in the future.

8 (2) However, to the extent other general obligation bonds of the  
9 state have been issued or may subsequently be issued, all general obligation  
10 bonds shall rank on a parity of security with respect to payment from general  
11 revenues of the state.

12 (c) Moneys credited to the Water, Waste Disposal, and Pollution  
13 Abatement Facilities Financing Act of 2025 Bond Fund shall be used only to  
14 pay debt service on the bonds, either at maturity or upon redemption before  
15 maturity, and for such purposes the Treasurer of State is designated  
16 disbursing officer to administer such funds in accordance with this  
17 subchapter.

18 (d) Moneys in the Water, Waste Disposal, and Pollution Abatement  
19 Facilities Financing Act of 2025 Bond Fund over and above the amount  
20 necessary to ensure the prompt payment of debt service on the bonds and the  
21 establishment and maintenance of a reserve fund, if any, may be used for the  
22 redemption of bonds before maturity under the provisions pertaining to  
23 redemption before maturity, as stated in the resolution or trust indenture  
24 authorizing or securing the bonds.

25  
26 15-20-1512. Bonds exempt from state, county, and municipal taxes.

27 (a) State of Arkansas Water, Waste Disposal, and Pollution Abatement  
28 Facilities general obligation bonds and the interest on the bonds issued  
29 under this subchapter are exempt from state, county, and municipal taxes,  
30 including income taxes, inheritance taxes, and property taxes.

31 (b) Bonds issued under this subchapter are eligible to secure deposits  
32 of all public funds and are legal for investment of bank funds, fiduciary  
33 funds, insurance company funds, trust funds, and public funds.

34  
35 15-20-1513. Refunding bonds.

36 (a)(1) Bonds may be issued under this section to refund any

1 outstanding State of Arkansas Water, Waste Disposal, and Pollution Abatement  
2 Facilities general obligation bonds issued under this subchapter or to refund  
3 any outstanding bonds of the Arkansas Natural Resources Commission issued  
4 under the prior act.

5 (2) Bonds issued under this section:

6 (A) Do not require the commission to submit a written plan  
7 to the Governor under § 15-20-1503(c); and

8 (B) Are not subject to the requirements for the approval  
9 and proclamation of the Governor under § 15-20-1503(d).

10 (b)(1) Refunding bonds issued under this section may be either sold  
11 for cash or delivered in exchange for the outstanding obligations.

12 (2) If refunding bonds are sold for cash, the proceeds may be  
13 applied to the payment of the obligations refunded or may be deposited in  
14 irrevocable trust for the retirement of the outstanding obligations either at  
15 maturity or on an authorized redemption date.

16 (c)(1) Refunding bonds issued under this section shall in all respects  
17 be authorized, issued, and secured as provided for the bonds being refunded  
18 and shall have all the attributes of the refunded bonds.

19 (2) To the extent that the refunding bonds are not in a greater  
20 principal amount than the outstanding principal amount of the bonds being  
21 refunded, the principal amount of the refunding bonds shall not be subject to  
22 the limit of five hundred million dollars (\$500,000,000) stated in § 15-20-  
23 1503(a) or the limit of sixty million dollars (\$60,000,000) stated in § 15-  
24 20-1503(b).

25 (d) The resolution or trust indenture under which the refunding bonds  
26 are issued under this section shall provide that any refunding bonds shall  
27 have the same priority of payment as the obligations refunded.

28  
29 15-20-1514. Additional powers of the Arkansas Natural Resources  
30 Commission.

31 (a) In addition to powers conferred under other laws, the Arkansas  
32 Natural Resources Commission may take appropriate action to carry out the  
33 purposes of this subchapter, including the power to:

34 (1) Develop projects;

35 (2) Operate and maintain projects;

36 (3) Acquire absolute title to and use for any purpose and at any



1 place water stored in any reservoir or other impoundment;

2 (4) Acquire, collect, impound, store, transport, distribute,  
3 sell, furnish, and dispose of water to any person at any place;

4 (5) Purify, treat, and process water;

5 (6) Assist local entities in the preparation of their premises  
6 for the use of water furnished by the Arkansas Natural Resources Commission  
7 and to construct upon their premises project properties of any kind and in  
8 connection therewith to receive, acquire, endorse, pledge, hypothecate, and  
9 dispose of notes, bonds, and other evidences of indebtedness;

10 (7) Use the bed of any watercourse without adversely affecting  
11 existing riparian, highway, right-of-way, easement, or other similar property  
12 rights, or any tax-forfeited land owned or held by the state or by any  
13 political subdivision of the state;

14 (8) Provide loans and grants from bond proceeds or project  
15 revenues to local entities and authorize local entities to make loans to  
16 other persons for payment of project costs in order for the local entity  
17 receiving the funds to develop a project;

18 (9) Purchase with bond proceeds or project revenues bonds or  
19 notes from a local entity in order to provide funds for payment of project  
20 costs in order for the local entity receiving the funds to develop a project  
21 and to enter into note and bond purchase agreements in connection with the  
22 project;

23 (10) Appropriate amounts from bond proceeds to satisfy state  
24 matching requirements for federal grants, subsidies, and revolving loan funds  
25 established by the United States Congress for the purpose of facilitating  
26 water, waste disposal, pollution control, abatement and prevention, drainage,  
27 irrigation, flood control, and wetlands and aquatic resources projects;

28 (11) Appropriate amounts from bond proceeds for the matching of  
29 moneys provided under other laws, including without limitation, § 15-22-501  
30 et seq., the Arkansas Water Resources Cost Share Finance Act, § 15-22-801 et  
31 seq., The Water, Sewer, and Solid Waste Management Systems Finance Act of  
32 1975, § 14-230-101 et seq., § 15-22-1101 et seq., and § 15-5-901 et seq.;

33 (12) Construct or cause to be constructed, lease as lessee,  
34 lease as lessor, and in any manner acquire, own, hold, maintain, operate,  
35 sell, dispose of, exchange, mortgage, or lend with respect to all or any part  
36 of a project;

1           (13) Acquire, own, hold, use, exercise, sell, mortgage, pledge,  
2 hypothecate, and in any manner dispose of franchises, rights, privileges,  
3 licenses, rights-of-way, and easements necessary, useful, or appropriate for  
4 the exercise of the powers or implementation of the purposes stated in this  
5 subchapter;

6           (14) Sell and convey, mortgage, pledge, lease as lessor, enter  
7 into lease-purchase agreements with respect to, and otherwise dispose of all  
8 or any part of a project or other properties, tangible or intangible,  
9 including without limitation franchises, rights, privileges, licenses,  
10 rights-of-way, and easements;

11           (15) Make or accept gifts or grants of moneys, services,  
12 franchises, rights, privileges, licenses, rights-of-way, easements, or other  
13 property, real or personal or mixed;

14           (16) Make any contract necessary or convenient for the exercise  
15 of the powers or implementation of the purposes of this subchapter;

16           (17) Fix, regulate, and collect rates, fees, rents, or other  
17 charges for making any loan or commitment under this subchapter, for  
18 performing accounting and loan servicing duties relating to the loans and for  
19 the use of any properties or services furnished by the Arkansas Natural  
20 Resources Commission, and with respect thereto, the Arkansas Natural  
21 Resources Commission shall not be subject to the jurisdiction or control of  
22 the Arkansas Public Service Commission;

23           (18) Require audits of all accounts related to construction,  
24 operation, or maintenance of a project funded by this subchapter;

25           (19) Take reasonable actions necessary to ensure that debt  
26 service requirements are met;

27           (20) Refinance loans made by the Arkansas Natural Resources  
28 Commission from any source to local entities in order to develop a project;

29           (21) Provide loans from bond proceeds or project revenues to  
30 local entities to refinance indebtedness of the local entity incurred to  
31 develop a project;

32           (22) Procure insurance, letters of credit, or other credit  
33 enhancement for the bonds;

34           (23) Administer the Water, Waste Disposal, and Pollution  
35 Abatement Facilities Development Program;

36           (24) Purchase with bond proceeds or project revenues bonds or

1 notes from a local entity in order to provide funds to refinance indebtedness  
2 incurred by a local entity to develop a project; and

3 (25) Take any other action appropriate to accomplish the  
4 purposes of this subchapter.

5 (b) The Arkansas Natural Resources Commission may accomplish the  
6 purposes of this subchapter through the delegation of any administrative  
7 functions to the Department of Agriculture.

8  
9 15-20-1515. No impairment of bond obligations.

10 (a) This subchapter constitutes a contract between the state and the  
11 registered owners of all State of Arkansas Water, Waste Disposal, and  
12 Pollution Abatement Facilities general obligation bonds issued under this  
13 subchapter.

14 (b) The contract described in subsection (a) of this section shall  
15 never be impaired, and any violation of the terms of the contract whether  
16 under purported legislative authority or otherwise shall be enjoined by the  
17 courts at the suit of any bondholder or any taxpayer.

18 (c) In a suit against the Arkansas Natural Resources Commission, the  
19 Treasurer of State, or other appropriate agency, officer, or official of the  
20 state, the courts shall prevent a diversion of any revenues pledged under  
21 this subchapter and shall compel the restoration of diverted revenues by  
22 injunction or mandamus.

23 (d) Without limiting any other appropriate remedy at law or in equity,  
24 a bondholder may by an appropriate action, including without limitation  
25 injunction or mandamus, compel the performance of all covenants and  
26 obligations of the state and its officers and officials under this  
27 subchapter.

28  
29 15-20-1516. No obligations until bonds issued.

30 This subchapter does not create any right of any character unless the  
31 first series of State of Arkansas Water, Waste Disposal, and Pollution  
32 Abatement Facilities general obligation bonds authorized by this subchapter  
33 has been sold and delivered.

34  
35 15-20-1517. No impairment of outstanding bonds.

36 The issuance of State of Arkansas Water, Waste Disposal, and Pollution

1 Abatement Facilities general obligation bonds authorized under this  
2 subchapter shall not impair or affect any outstanding bonds of the Arkansas  
3 Natural Resources Commission issued under the prior act.

4  
5 15-20-1518. Election.

6 (a)(1) State of Arkansas Water, Waste Disposal, and Pollution  
7 Abatement Facilities general obligation bonds shall not be issued under this  
8 subchapter except with the consent of a majority of the qualified electors of  
9 the state voting on the question in substantially the form described in this  
10 section at the 2026 general election unless the Governor by proclamation  
11 calls a special election before the 2026 general election.

12 (2) If the question is presented at the 2026 general election,  
13 notice of the question shall be published by the Secretary of State by one  
14 (1) insertion in a newspaper of general circulation in the state at least  
15 sixty (60) days before the general election, and notice of the question shall  
16 be mailed to each county board of election commissioners and the sheriff of  
17 each county at least sixty (60) days before the general election.

18 (3) If a special election is called by the Governor, the  
19 proclamation of the special election shall be made at least sixty (60) days  
20 before the date fixed by the proclamation for the election, and notice of the  
21 special election shall be given by publication of the proclamation by one (1)  
22 insertion in one (1) newspaper of general circulation published in each  
23 county in the state not less than thirty (30) days before the date of the  
24 special election.

25 (4) If there is no newspaper regularly published in a county,  
26 the proclamation required under this subsection may be published in any  
27 newspaper having a general circulation in the county.

28 (b) In the case of the notice or proclamation for the election under  
29 this section, it is not necessary to publish this subchapter in its entirety,  
30 but the notice or proclamation shall state that the notice or proclamation is  
31 issued to submit to the people substantially the following question:

32 “Shall the Arkansas Natural Resources Commission be authorized to issue  
33 general obligation bonds under the authority of the Arkansas Water, Waste  
34 Disposal, and Pollution Abatement Facilities Financing Act of 2025, for the  
35 financing and refinancing of the development of water, waste disposal, water  
36 pollution control, abatement and prevention, drainage, irrigation, flood

1 control, and wetlands and aquatic resources projects to serve the citizens of  
 2 the State of Arkansas, in total principal amount not to exceed five hundred  
 3 million dollars (\$500,000,000), with no more than one hundred sixty-five  
 4 million dollars (\$165,000,000) in total principal amount of such bonds to be  
 5 issued to finance and refinance the development of irrigation facilities, in  
 6 series from time to time in principal amounts not to exceed, without prior  
 7 approval of the General Assembly, sixty million dollars (\$60,000,000) in any  
 8 two-year period beginning on July 1 of each odd-numbered year, which bonds  
 9 shall be secured by a pledge of the full faith and credit of the State of  
 10 Arkansas?”

11 (c) Whether the question is presented at a special election or at the  
 12 2026 general election, the title of this subchapter shall be the ballot  
 13 title, and there shall be printed on the ballot the proposition as stated  
 14 above and the following:

15 “FOR Issuance of State of Arkansas Water, Waste Disposal, and Pollution  
 16 Abatement Facilities general obligation bonds \_\_\_\_\_

17 AGAINST Issuance of State of Arkansas Water, Waste Disposal, and  
 18 Pollution Abatement Facilities general obligation bonds \_\_\_\_\_”.

19 (d)(1) The county boards of election commissioners of the several  
 20 counties of the state shall hold and conduct the election required under this  
 21 section, and each board may take action with respect to the appointment of  
 22 election officials and other matters as the law requires.

23 (2) The vote shall be canvassed and the result declared in each  
 24 county by the county boards of election commissioners.

25 (3) Within ten (10) days after the date of the election held  
 26 under this section, the results shall be certified by the county boards of  
 27 election commissioners to the Secretary of State who shall tabulate all  
 28 returns received by him or her and certify to the Governor the total vote for  
 29 and against the proposition submitted under this section.

30 (e) The result of the election held under this section shall be  
 31 proclaimed by the Governor by publication one (1) time in a newspaper  
 32 published in the City of Little Rock, Arkansas, and the results as proclaimed  
 33 shall be conclusive unless attacked in the courts within thirty (30) days  
 34 after the date of the publication.

35  
 36 15-20-1519. Effect of election.

1       (a) If a majority of the qualified electors voting on the question  
2 submitted under § 15-20-1518 vote for the issuance of State of Arkansas  
3 Water, Waste Disposal, and Pollution Abatement Facilities general obligation  
4 bonds, the Arkansas Natural Resources Commission shall proceed with the sale  
5 and the issuance of the bonds as provided in this subchapter.

6       (b) If a majority of the qualified electors voting on the question  
7 submitted under § 15-20-1518 vote against the issuance of the bonds, the  
8 bonds authorized under this subchapter shall not be sold or issued, and this  
9 subchapter shall be of no further effect.

10  
11       15-20-1520. No waiver of previous authority to issue bonds.

12       This subchapter shall not constitute a waiver of the authority to issue  
13 bonds under the prior act or any other legislation authorizing the issuance  
14 of bonds for similar purposes.

15  
16       15-20-1521. Severability.

17       If, for any reason, any section or provision of this subchapter is held  
18 to be unconstitutional or invalid for any reason, the holding shall not  
19 affect the remainder of this subchapter, but this subchapter, insofar as it  
20 is not in conflict with the Arkansas Constitution or the United States  
21 Constitution, shall be permitted to stand, and the various provisions of this  
22 subchapter are declared to be severable for that purpose.

23  
24       15-20-1522. Cases involving bonds.

25       (a) A case involving the validity of this subchapter or involving State  
26 of Arkansas Water, Waste Disposal, and Pollution Abatement Facilities general  
27 obligation bonds issued under this subchapter shall be deemed of public  
28 interest and shall be advanced by all courts and heard as a preferred cause.

29       (b) An appeal from a judgment or decree rendered in a case described  
30 under subsection (a) of this section shall be taken within thirty (30) days  
31 after rendition of the judgment or decree.

32  
33       15-20-1523. Construction of subchapter.

34       This subchapter:

35           (1) Shall be liberally construed to accomplish its purposes;

36           (2) Shall constitute the sole authority necessary to accomplish

1 the purposes of the subchapter, and to this end it is not necessary that the  
2 provisions of other laws pertaining to the development of public facilities  
3 and properties and the financing of public facilities and properties be  
4 complied with;

5 (3) Shall be interpreted to supplement existing laws conferring  
6 rights and powers upon the Arkansas Natural Resources Commission, and the  
7 rights and powers stated in this subchapter shall be regarded as alternate  
8 methods for the accomplishment of the purposes of this subchapter; and

9 (4) Does not repeal or reduce the powers conferred by the prior  
10 act.

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