

1 State of Arkansas
2 94th General Assembly
3 Regular Session, 2023
4

A Bill

HOUSE BILL 1636

5 By: Representative McClure
6 By: Senator A. Clark
7

For An Act To Be Entitled

9 AN ACT TO AMEND THE AUTHORITY OF MUNICIPALITIES,
10 PUBLIC FACILITIES BOARDS, AND PUBLIC WATER
11 AUTHORITIES TO ISSUE REVENUE BONDS; TO AUTHORIZE
12 REVENUE BONDS TO BE ISSUED FOR A WATER SYSTEM, SEWER
13 SYSTEM, OR COMBINED WATER AND SEWER SYSTEM FOR WHICH
14 A RECEIVER HAS BEEN APPOINTED; AND FOR OTHER
15 PURPOSES.
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Subtitle

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19 TO AUTHORIZE REVENUE BONDS TO BE ISSUED
20 FOR A WATER SYSTEM, SEWER SYSTEM, OR
21 COMBINED WATER AND SEWER SYSTEM FOR WHICH
22 A RECEIVER HAS BEEN APPOINTED.
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25 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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27 SECTION 1. Arkansas Code Title 14, Chapter 72, Subchapter 1, is
28 amended to add an additional section to read as follows:

29 14-72-104. Revenue bonds when receiver appointed for water, sewer, or
30 combined water and sewer system – Definition.

31 (a) As used in this section, "system" means a water system, sewer
32 system, or combined water and sewer system.

33 (b) Revenue bonds may be issued on behalf of a municipality, public
34 facilities board, or public water authority that owns a system for which a
35 receiver has been appointed to pay or refinance the following costs related
36 to the system:



- 1 (1) Operating costs incurred before or during the receivership;
- 2 (2) Necessary capital improvements to the system;
- 3 (3) Necessary repairs and replacements to the system;
- 4 (4) Refunding indebtedness incurred before or during the
- 5 receivership;
- 6 (5) The costs of water purchases;
- 7 (6) The costs of treating wastewater; and
- 8 (7) Any other costs related to the system that are approved by
- 9 the court having jurisdiction over the receivership.

10 (c)(1) Revenue bonds may be issued on behalf of a municipality, public
 11 facilities board, or public water authority owning a system by a receiver
 12 under subsection (b) of this section only with the approval of the court
 13 having jurisdiction over the receivership.

14 (2) The municipality, public facilities board, or public water
 15 authority that owns the system for which revenue bonds are issued under this
 16 section shall pay the indebtedness and interest on the indebtedness from the
 17 revenues of the system during the term of the revenue bonds.

18 (d) Revenue bonds authorized under this section may be issued and
 19 secured as provided in the following:

20 (1) For a municipality, one (1) or more of the following:

21 (A) The Local Government Capital Improvement Revenue Bond
 22 Act of 1985, § 14-164-401 et seq.;

23 (B) The statutes governing waterworks and water supply, §
 24 14-234-201 et seq.; and

25 (C) The statutes governing municipal sewage systems, § 14-
 26 235-201 et seq.;

27 (2) For a public facilities board, the Public Facilities Boards
 28 Act, § 14-137-101 et seq.; and

29 (3) For a public water authority, the Water Authority Act, § 4-
 30 35-101 et seq.

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