

Stricken language would be deleted from and underlined language would be added to present law.

State of Arkansas
91st General Assembly
Regular Session, 2017

As Engrossed: H3/14/17
A Bill

HOUSE BILL 1549

By: Representative Davis

For An Act To Be Entitled

AN ACT TO AMEND THE LAW CONCERNING MUNICIPAL SEWER SERVICE; AND FOR OTHER PURPOSES.

Subtitle

TO AMEND THE LAW CONCERNING MUNICIPAL SEWER SERVICE.

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

SECTION 1. Arkansas Code § 14-234-111 is amended to read as follows:

14-234-111. Service to adjacent areas – Municipalities generally.

(a) ~~Any A~~ municipality ~~in the State of Arkansas~~ owning and operating a municipal ~~waterworks~~ water system or a municipal sewer system ~~or both~~ may extend its service lines beyond its corporate limits for the purpose of giving water service, or sewer service, ~~or both~~, to adjacent or nearby areas ~~where~~ if the demand for service is sufficient to produce revenues that will retire the cost of the service lines.

(b)(1) A municipality owning and operating a municipal water system or sewer system, ~~or both, without applying for a certificate of convenience and necessity,~~ may extend its water lines ~~and~~ or sewer lines ~~or both~~ to serve the adjacent or nearby areas without applying for a certificate of convenience and necessity.

(2) ~~In order to~~ To secure the funds with which to make the service line extension or extensions, the municipality may issue negotiable coupon bonds or interest-bearing certificates of indebtedness to be paid out of the net revenues derived from the operation of the services ~~so~~ extended



and, for the payment of the bonds, may pledge not only the net revenues from the adjacent or nearby areas but also any unpledged revenues derived by the municipality from the operation of ~~either~~ its water system or sewer system, ~~or both~~, that may be available from year to year ~~in order~~ to prevent a default in the payment of the revenue bonds issued for the extension beyond the corporate limits.

(c) The bonds or certificates of indebtedness authorized under this section shall be issued and sold under the provisions governing the issuance and sale of municipal water revenue bonds, as set out in ~~subchapter 2 of chapter 234 of this title~~ § 14-234-201 et seq.

(d) ~~Any~~ A municipality extending a service to an adjacent or nearby area ~~shall have the power to~~ may fix the schedule of rates for services ~~so~~ extended.

(e)(1) A municipal sewer system shall provide sewer service to a nonresident property owner or consumer whose property is a new development required to go through a municipal planning commission process and lies within the territorial jurisdiction of the municipality, if the municipal sewer system has the capacity and the nonresident property owner or consumer:

(A) Requests the sewer service;

(B) Has secured necessary easements for the sewer service infrastructure;

(C) Has borne the cost of the sewer service infrastructure and the infrastructure existed at the time of the request under subdivision (e)(1) of this section;

(D) Deeds the sewer service infrastructure to the municipality; and

(E) Signs a pre-annexation agreement with the municipality.

(2) If the nonresident property owner or consumer whose property is a new development does not seek sewer service under subdivision (e)(1) of this section, the nonresident property owner or consumer shall comply with the requirements of § 8-4-203(b) for sewer service for the new development.

~~(e)(f)~~ For the ~~purpose of carrying out the provisions~~ purposes of this section, a municipality ~~shall have~~ has the right of eminent domain ~~as is provided in~~ under §§ 18-15-301-18-15-307 et seq.

~~(f)(g)~~ Nothing in this ~~This~~ section ~~shall be construed to~~ does not

require a municipality to extend ~~either~~ water service or sewer service to adjacent or nearby areas, except as provided under subsection (e) of this section.

/s/Davis