

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

State of Arkansas
94th General Assembly
Regular Session, 2023

A Bill

HOUSE BILL 1636

By: Representative McClure

By: Senator A. Clark

For An Act To Be Entitled

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

Subtitle

TO AUTHORIZE REVENUE BONDS TO BE ISSUED
FOR A WATER SYSTEM, SEWER SYSTEM, OR
COMBINED WATER AND SEWER SYSTEM FOR WHICH
A RECEIVER HAS BEEN APPOINTED.

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

SECTION 1. Arkansas Code Title 14, Chapter 72, Subchapter 1, is amended to add an additional section to read as follows:

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

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

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



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

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

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

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

- (1) For a municipality, one (1) or more of the following:
 - (A) The Local Government Capital Improvement Revenue Bond Act of 1985, § 14-164-401 et seq.;
 - (B) The statutes governing waterworks and water supply, § 14-234-201 et seq.; and
 - (C) The statutes governing municipal sewage systems, § 14-235-201 et seq.;
- (2) For a public facilities board, the Public Facilities Boards Act, § 14-137-101 et seq.; and
- (3) For a public water authority, the Water Authority Act, § 4-35-101 et seq.