

"AN ACT TO AMEND SUBSECTION (a) OF SECTION 7 OF ACT 132 OF 1933, AS AMENDED [ARK. STAT. 19-4107(a)] TO AUTHORIZE CITIES AND TOWNS TO ISSUE REVENUE BONDS TO FINANCE THE COST OF EXTRAORDINARY EXPENSES OR LIABILITIES ARISING FROM THE OWNERSHIP AND OPERATION OF A MUNICIPAL SEWER SYSTEM; PRESCRIBING OTHER MATTERS RELATING THERETO; AND DECLARING AN EMERGENCY"

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

SECTION 1. Subsection (a) of Section 7 of Act 132 of 1933, as amended, the same being Arkansas Statute 19-4107(a), is hereby amended to read as follows:

"Section 7. (a) Nothing in this Act contained shall be so construed as to authorize or permit any city or town to make any contract or to incur any obligation of any kind or nature except such as shall be payable solely from the funds provided under the authority of this Act. Funds for the payment of the entire costs of the works and for the payment of any extraordinary expenses or liabilities arising from the ownership and operation of the works, including, without limitation, liabilities to customers of the works relating to rates charged by the city or town for use of the works, shall be provided by funds derived from the operation of the works, funds of the city or town appropriated for such purpose, and/or by the issuance of revenue bonds of the city or town, the principal and interest on which shall be payable solely from the special fund herein provided for such payment, and such bonds shall not, in any respect, be a corporate indebtedness of such city or town, within the meaning of any constitutional or statutory limitation thereon. All the details of such bonds shall be determined by ordinance or ordinances of the city or town."

SECTION 2. It is the purpose of this Act to enable cities and towns to issue revenue bonds to finance extraordinary expenses or liabilities arising from the ownership and operation of a municipal sewer system and these purposes are hereby declared by the General Assembly to be public purposes for which revenue bonds may be issued under Amendment 65 to the Arkansas Constitution.

SECTION 3. All laws and parts of laws in conflict herewith are hereby repealed to the extent of such conflict.

SECTION 4. The provisions of this Act are declared to be severable. If any provision hereof shall be held to be invalid or to be inapplicable to any person or circumstance such holding shall not affect the validity or applicability of the remainder hereof.

SECTION 5. It is found and it is hereby declared by the General Assembly of the State of Arkansas that availability of financing of extraordinary expenses or liabilities of cities and towns arising from the ownership and operation of municipal sewer systems is essential to the continued operation of safe and sanitary sewer facilities by cities and towns in this State, without which the life, health and safety of the inhabitants of this State are endangered. Therefore, an emergency is declared to exist and this Act, being necessary for the preservation of the public peace,

health and safety shall be in effect upon its passage and approval.

APPROVED: February 25, 1987

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