

Act 254 of the 1989 Regular Session.

Act 254

HB1400

By: Representative Easley

"AN ACT TO AMEND ARKANSAS CODE 14-234-104 AND 14-235-215 TO AUTHORIZE MUNICIPALITIES TO BORROW MONEY TO PAY OFF EXISTING LOANS FOR WATERWORKS AND SEWER SERVICES; AND FOR OTHER PURPOSES."

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

SECTION 1. Arkansas Code 14-234-104(a) is hereby amended to read as follows:

"(a) Any municipality owning or operating a waterworks system, however constructed or acquired, and desiring to construct improvements and betterments thereto, may borrow money to be used for those purposes, to refinance or retire existing indebtedness related to the waterworks system, or to provide funds for preliminary expenses prior to the issuance of revenue bonds, the loan to be evidenced by revenue promissory notes as set out in this section. The money so borrowed shall be deposited in a revenue note fund and shall be used solely for the purposes authorized in this section."

SECTION 2. Arkansas Code 14-235-215(b) (1) (A) is hereby amended to read as follows:

"(b) (1) (A) Any municipality owning or operating a sewage system, however constructed or acquired, and desiring to construct improvements and betterments to it, may borrow money to be used for these purposes, to refinance or retire existing indebtedness related to the sewage system, or to provide funds for preliminary expense prior to the issuance of revenue bonds or to provide interim financing pending receipt of federal or state grant-in-aid of loan disbursements."

SECTION 3. All provisions of this Act of a general and permanent nature are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code Revision Commission shall incorporate the same in the Code.

SECTION 4. All laws and parts of laws in conflict with this Act are hereby repealed.

SECTION 5. Emergency. It is hereby found and determined by the General Assembly that present law is unclear regarding whether municipalities may borrow funds to refinance existing obligations pertaining to their waterworks and sewage systems; that this Act clarifies the law to specifically grant municipalities that authority; that until this Act becomes effective municipalities are going to be adversely affected; and that this Act should therefore be given effect immediately. Therefore, an emergency is hereby declared to exist and this Act being immediately necessary for the preservation of the public peace, health and safety shall be in full force and effect from and after its passage and approval.

APPROVED: February 24, 1989

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