

1 **State of Arkansas**
2 **79th General Assembly**
3 **Regular Session, 1993**
4 **By: Representative Hawkins**

A Bill

HOUSE BILL 2127

For An Act To Be Entitled

8 "AN ACT TO CREATE THE WATER RESOURCES AND WASTE DISPOSAL
9 REVOLVING LOAN FUND; AND FOR OTHER PURPOSES."

Subtitle

12 "AN ACT TO CREATE THE WATER RESOURCES AND WASTE DISPOSAL
13 REVOLVING LOAN FUND."

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

17 SECTION 1. Fund -- Establishment -- Uses -- Accounts.

18 (a) There is hereby established on the books of the Arkansas
19 Development Finance Authority a special restricted fund to be known as the
20 Water Resources and Waste Disposal Revolving Loan Fund which shall be
21 maintained in perpetuity by the Authority and administered by the Arkansas
22 Soil and Water Conservation Commission for the purposes stated herein. Grants
23 from the federal government or its agencies allotted to the State for
24 capitalization of the fund, State matching grants where required, proceeds of
25 bonds issued by the Authority for such purpose, and loan principal, interest,
26 and premiums shall be deposited directly in the fund.

27 (b) Moneys in the fund shall be expended in a manner consistent with
28 the terms and conditions of applicable federal and State capitalization grants
29 and may be used:

30 (1) To provide loans for the construction or rehabilitation of
31 public water systems and waste disposal or pollution abatement facilities.

32 (2) Subject to the provisions of subsection (c) of this section,
33 to secure the payment of the principal of and premium, if any, and interest
34 on, and to pay costs incurred in connection with, bonds issued by the
35 Authority, if the net proceeds of such bonds are deposited into the fund;

1 (3) To purchase bonds, notes, or other evidences of indebtedness
2 issued by local governmental entities for water systems and waste disposal or
3 pollution abatement projects;

4 (4) To fund other water system and waste disposal or pollution
5 abatement programs which the federal or State government may allow in the
6 future through grants;

7 (5) To fund the administrative expenses of the Commission
8 relating to the responsibilities and requirements of this subchapter; or

9 (6) To provide for any other expenditures consistent with
10 applicable federal and State law.

11 (c) There is hereby established a separate account within the fund
12 designated the State Grants Account into which moneys appropriated to the
13 Authority by the State for such purposes shall be deposited. Moneys in the
14 State Grants Account may be expended for the same purposes as other moneys in
15 the fund, provided, however, that moneys in the State Grants Account shall
16 never be pledged to the payment of, or as security for, any bonds issued by
17 the Authority pursuant to this subchapter.

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19 SECTION 2. Fund -- Administration.

20 (a) The fund shall be administered by the Commission, as agent for the
21 Authority, and the Commission is authorized to establish procedures and adopt
22 such regulations as may be required to administer the fund and programs
23 financed in whole or in part with moneys in the fund in accordance with
24 federal or State law providing for public water systems or waste disposal or
25 pollution abatement projects, as the same may be amended from time to time,
26 and to enter into contracts and other agreements in connection with the
27 operation of the fund, including, but not limited to contracts and agreements
28 with federal agencies, local governmental entities, the Authority, and other
29 parties to the extent necessary or convenient for the implementation of the
30 program.

31 (b) Acting as agent for the Authority, the Commission shall maintain
32 full authority for the operation of the fund in accordance with applicable
33 federal and State law, including withdrawals necessary to achieve the intended
34 purposes of the fund.

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1 SECTION 3. Fund -- Grants -- Deposits -- Cash Funds.

2 (a) The Authority is authorized to accept grants for the use of the
3 funds from any State or federal agencies, municipalities, corporations,
4 foundations, individual donees, or authorities, specifically including but not
5 limited to grants from any federal agency for water programs or waste disposal
6 programs or pollution abatement programs and appropriations from the State
7 Treasury as heretofore or hereafter provided.

8 (b) *Notwithstanding the provisions of §§ 19-6-108 and 19-6-601, grants*
9 *to the state under the Federal Clean Water Act (P.L. 92-500), all amendments*
10 *and modifications thereto and under any other federal laws relating to water*
11 *systems and solid waste disposal facilities received by the state treasurer*
12 *from the federal government are declared to be cash funds restricted in their*
13 *use and dedicated and are to be used solely as authorized in this subchapter.*

14 (A) *The cash funds, when received by the state treasurer, shall*
15 *not be deposited or deemed to be a part of the state treasury for the purposes*
16 *of Arkansas Constitution, Article 5, § 29; Arkansas Constitution, Article 16,*
17 *§ 12, Arkansas Constitution, Amendment 20; or any other constitutional or*
18 *statutory provision.*

19 (B) (i) *The state treasurer shall pay the cash funds to the*
20 *Authority for deposit in the fund to be used for the purposes authorized by*
21 *this subchapter.*

22 (ii) *Such federal grants transferred directly to the*
23 *Authority are declared to be cash funds restricted in their use and dedicated*
24 *and to be used solely as authorized in this subchapter.*

25 (C) *All moneys received by the Authority under and pursuant to*
26 *this subchapter shall be deposited as and when received in the fund.*

27 (c) (1) Except for moneys hereafter deposited in or paid to the
28 Authority for deposit in the State Grants Account, all moneys now or hereafter
29 received for, deposited in, or paid to the Authority for deposit in the fund
30 are specifically declared to be cash funds, restricted in their use, and which
31 shall not be deposited in the State Treasury or deemed to be a part of the
32 State Treasury for the purposes of Arkansas Constitution, Article 5, § 29;
33 Arkansas Constitution, Article 16, § 12; Arkansas Constitution, Amendment 20;
34 or any other constitutional or statutory provisions, but shall be held and
35 applied by the Authority solely for the uses set forth in this subchapter.

1 (2) Interest and other moneys received from the investment of
2 moneys, the purchase of bonds, notes, or other evidences of indebtedness
3 issued by local governmental entities, or the making of loans with moneys in
4 the fund, including in each case moneys in the State Grants Account, are
5 declared to be cash funds, restricted in their use, and shall not be deposited
6 in the State Treasury, but shall be held and applied by the Authority solely
7 for the uses set forth in this subchapter.

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9 SECTION 4. Fees for Technical and Administrative Services.

10 (a) The Commission is hereby authorized to establish fees for its
11 technical and administrative services in connection with construction or
12 rehabilitation of public water systems or waste disposal or pollution
13 abatement projects financed in whole or in part with moneys in the fund.

14 (b) Such fees shall be payable in any one (1) or more of the following
15 methods:

16 (1) From the proceeds of bonds, notes, or other evidences of
17 indebtedness of a local governmental entity purchased from moneys in the fund;

18 (2) From the proceeds of bonds issued by the Authority in
19 connection with the fund; or

20 (3) From periodic payments due on the bonds, notes, or other
21 evidences of indebtedness of a local governmental entity purchased with moneys
22 in the fund.

23 (c) The Authority is hereby authorized, if requested by the Commission,
24 to collect the fees from local governmental entities and to remit the fees
25 directly to the Commission within fifteen (15) days after each periodic
26 payment is made, and such fees shall not be deposited in the fund.

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28 SECTION 5. Security for Bonds.

29 Except for moneys in the State Grants Account, the Authority is
30 authorized to use the moneys in the fund and the assets acquired with moneys
31 in the fund to secure the payment of the principal of and premium, if any, and
32 interest on bonds issued by the Authority if the net proceeds of such bonds
33 are deposited into the fund.

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35 SECTION 6.

1 All provisions of this Act of a general and permanent nature are
2 amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code
3 Revision Commission shall incorporate the same in the Code. The Commission is
4 specifically authorized to cooperate and participate with the Authority with
5 respect to the administration and expenditure of amounts in the fund in order
6 to develop or finance any "Project" as defined in Arkansas Code Sections 15-
7 22-602 and 15-22-702. Any bonds or other evidences of indebtedness issued by
8 the Authority pursuant to the provisions of this Act shall not be limited by,
9 controlled by or subject to the provisions of Arkansas Code Sections 15-22-605
10 through 15-22-622 or Arkansas Code Sections 15-22-705 through 15-22-721.

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12 SECTION 7.

13 If any provision of this Act or the application thereof to any person or
14 circumstance is held invalid, the invalidity shall not affect other provisions
15 or applications of the Act which can be given effect without the invalid
16 provisions or application, and to this end the provisions of this Act are
17 declared to be severable.

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19 SECTION 8.

20 All laws and parts of laws in conflict with this Act are hereby
21 repealed.

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/s/Bruce Hawkins

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