

1 **State of Arkansas**

2 **79th General Assembly**

3 **Regular Session, 1993**

4 **By: Senators Yates, Scott, Miles, Bearden, Holiman, and Cassady**

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For An Act To Be Entitled

8 "AN ACT TO AMEND ARKANSAS CODE 14-199-101 RELATING TO
9 SURPLUS REVENUES OF PUBLIC UTILITIES OF LOCAL POLITICAL
10 SUBDIVISIONS; AND FOR OTHER PURPOSES."

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Subtitle

13 "DEFINING THE TERM SURPLUS REVENUES AS THE TERM RELATES
14 TO PUBLIC UTILITIES OF LOCAL POLITICAL SUBDIVISIONS."

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

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18 SECTION 1. Arkansas Code 14-199-101 is amended to read as follows:

19 "14-199-101. Surplus revenues.

20 (a) As used in this section, unless the context otherwise requires:

21 (1) Surplus revenues means revenues remaining after adequate
22 provision shall have been made for expenses of operation, maintenance, and
23 depreciation of the utilities and all requirements pertaining to the payment
24 of principal, interest, and fees in connection with bonds and establishing and
25 maintaining reserves of ordinances or indentures securing bonds issued to
26 finance the cost of constructing, reconstructing, extending, improving, or
27 equipping the utilities, have been fully met and complied with;

28 (2) Utilities means the utility or utilities involved in the pledging
29 of surplus utility revenues pursuant to this section for the payment of the
30 principal of, interest on, and paying agent's fees in connection with any
31 bonds issued by the municipality.

32 (b) Any municipality in this state is authorized to pledge surplus
33 revenues derived from one (1) or more of the gas or electric utilities already
34 owned at the time of any such pledge by the municipality for any of the
35 following purposes only:

- 1 (1) Off-street parking facilities;
- 2 (2) Sanitation or solid waste facilities;
- 3 (3) Cable television facilities;
- 4 (4) Hospital buildings and facilities;
- 5 (5) Public park buildings, improvements, and facilities;
- 6 (6) Schools, colleges, and universities;
- 7 (7) Auditoriums;
- 8 (8) Convention centers;
- 9 (9) Streets and roadways;
- 10 (10) Airport improvements and facilities;
- 11 (11) City halls and municipal administration buildings;
- 12 (12) Public ports, harbors, and industrial or other facilities related
- 13 *thereto, whether owned by the municipality or another public body;*
- 14 (13) Fire and emergency equipment; or
- 15 (14) Any combination of the above purposes.

16 (c) The authority conferred by this section pertains to the pledging
17 and use of surplus utility revenues to bonds issued by municipalities for the
18 purposes set forth in subsection (b) of this section only, which purposes are
19 not related to the operation of utilities. Nothing in this section shall be
20 construed as modifying or diminishing the authority, the existence of which is
21 confirmed and ratified, of the direct pledging and cross pledging of all or
22 any part of the revenues of the gas and electric utilities to utility revenue
23 bonds issued for constructing, reconstructing, extending, improving, or
24 equipping that and other utilities already owned by the municipality at the
25 *time of any such pledge or cross pledge as is presently done in the case of*
26 *many municipalities in the state.* Any part of the revenues of the water and
27 sewer utilities may only be direct pledged or cross pledged to utility revenue
28 bonds issued for constructing, reconstructing, extending, improving, or
29 equipping the water or sewer utilities already owned by the municipality at
30 the time of any such pledge, cross pledge, or use.

31 (d) *The provisions of this section shall not apply to any municipality*
32 *located within a county with a population in excess of three hundred thousand*
33 *(300,000) according to the 1990 federal decennial census."*

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35 SECTION 2. All provisions of this act of a general and permanent nature

1 are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code
2 Revision Commission shall incorporate the same in the Code.

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4 SECTION 3. If any provision of this act or the application thereof to
5 any person or circumstance is held invalid, such invalidity shall not affect
6 other provisions or applications of the act which can be given effect without
7 the invalid provision or application, and to this end the provisions of this
8 act are declared to be severable.

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10 SECTION 4. *This act shall not apply retroactively to any pledge made*
11 *prior to the effective date hereof.*

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13 SECTION 5. All laws and parts of laws in conflict with this act are
14 hereby repealed.

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s/ Senator Yates et al.

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