

Act 930 of the 1989 Regular Session.

Act 930

HB1681

By: Representatives Givens, Kerr, Teague, Wilson

"AN ACT TO PROVIDE THAT THE GOVERNING BODY OF A MUNICIPALITY SHALL HAVE NO AUTHORITY TO ABROGATE, BY ORDINANCE OR OTHERWISE, AN EXISTING CONTRACT TO FURNISH ANY WATER UTILITY SERVICE TO RESIDENTS IN AN AREA OUTSIDE THE MUNICIPAL BOUNDARIES; AND FOR OTHER PURPOSES."

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

SECTION 1. As used in this Act, the term utility service shall mean utility service of municipally owned water utilities, and shall not mean utility service of municipally owned electric utilities, municipally owned natural gas utility systems, or consolidated municipal utility improvement districts.

For purposes of this act, the term "abrogate" means to cancel, invalidate, nullify, annul, void, revoke, rescind, deny, repudiate or otherwise terminate or refuse to honor.

SECTION 2. The provisions of this Act shall not apply to contracts between a municipality within this State and an entity or entities located outside the boundaries of this State.

SECTION 3. The governing body of a municipality shall have no authority, by ordinance or otherwise, to abrogate an existing contract to furnish water utility service to residents in an area outside the boundaries of the municipality unless provided for by mutual agreement of all parties involved. Provided, nothing herein shall be construed to prohibit or restrict the authority of the governing body of a municipality to revise a revision of the rates to be charged water utility users in an area outside the boundaries of the municipality if circumstances arise which justify a revision in such rates or charges. Provided further, nothing herein shall be construed to prohibit or restrict the authority of a municipality to enforce payment of utility bills by disconnecting utility service and terminating contracts to furnish utility service.

SECTION 4. Nothing contained in this Act shall require a municipally owned water utility to extend new service under existing water supply contracts outside its corporate limits or continue service under existing water supply contracts outside its corporate limits, if, in the opinion of the municipally owned water utility, such extension or continuance of service would be an engineering or financial impracticality, affect the reliability or quality of service to customers served under such extension or continuance, or affect the reliability or quality of service to other customers of the municipally owned water utility.

SECTION 5. This act shall become effective January 1, 1990, and shall not apply to actions taken by municipalities with regard to territories or water customers within areas for which annexation procedures, whether voluntary or involuntary, commenced prior to the effective date of this act.

SECTION 6. 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 7. All laws and parts of laws in conflict with this act are hereby repealed.

APPROVED: March 24, 1989

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