

By: Senator Benham

"AN ACT TO AMEND ARKANSAS CODE OF 1987 ANNOTATED, SECTION 14-199-101, TO AUTHORIZE MUNICIPALITIERS TO PLEDGE SURPLUS REVENUES TO THE PAYMENT OF REVENUE BONDS ISSUED TO FINANCE PUBLIC PORTS AND HARBORS AND RELATED FACILITIES, AS IN THE CASE OF OTHER IMPROVEMENTS NOW AUTHORIZED BY LAW; DECLARING AN EMERGENCY; AND FOR OTHER PURPOSES."

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

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

"14-199-101. Surplus revenues. (a) As used in this section, unless the context otherwise requires:

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

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

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

- (1) Off-street parking facilities;
- (2) Sanitation facilities;
- (3) Hospital buildings and facilities;
- (4) Public park buildings, improvements, and facilities;
- (5) Auditoriums;
- (6) Convention centers;
- (7) Streets and roadways;
- (8) Airport improvements and facilities;
- (9) City halls and municipal administration buildings;
- (10) Public ports, harbors and industrial or other facilities related thereto (whether owned by the municipality or another public body); or
- (11) Any combination of the above purposes.

(c) The authority conferred by this section pertains to the pledging and use of surplus utility revenues to bonds issued by municipalities for the purposes set forth in subsection (b) of this section only, which purposes are not related to the operation of utilities. Nothing in this section shall be construed as modifying or diminishing the authority, the existence of which is confirmed and ratified, of the direct pledging and cross pledging of all or any part of the revenues of each utility to utility revenue bonds issued for constructing, reconstructing, extending, improving, or equipping that and other utilities already owned by the municipality at the time of any such

pledge, cross pledge, or use, as is presently done in the case of many municipalities in the state."

SECTION 2. 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 3. All laws and parts of laws in conflict herewith are repealed to the extent of such conflict.

SECTION 4. It has been found and it is hereby declared that certain municipalities in this State have a need to develop or to assist in the development of public ports and harbors, to the benefit of such municipalities and their inhabitants, and that the only effective method whereby such assistance can be provided is by the pledging of surplus utility revenues to revenue bonds issued by such municipalities. Therefore, an emergency is 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 20, 1989

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