

Act 705 of the 1989 Regular Session.

Act 705

HB1811

By: Representative Hawkins

"AN ACT TO AMEND ARKANSAS CODE 14-116-402(7) TO PROVIDE THAT ALL BONDS ISSUED BY REGIONAL WATER DISTRIBUTION DISTRICTS SHALL BE EXEMPT FROM ALL STATE, COUNTY, AND MUNICIPAL TAXES; AND FOR OTHER PURPOSES."

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

SECTION 1. Arkansas Code 14-116-402(7), is hereby amended to read as follows:

"(7) (A) Borrow money and otherwise contract indebtedness, to issue its obligations therefor, and to secure the payment thereof by mortgage, pledge, or deed of trust of all or any part of its property, assets, franchises, rights, privileges, licenses, rights-of-way, easements, revenues, or income.

(B) The obligations may be in the form of negotiable coupon bonds payable to bearer, but may be registrable as to principal only or as to principal and interest, may be issued in one (1) or more series, may bear such date or dates, may mature at such times, not exceeding forty (40) years from their respective dates, may bear interest at rate or rates, may be in such form, may be executed in such manner, may be payable in such medium of payment, may be payable at such place or places, within or without the State of Arkansas, may be subject to such terms of redemption, and may contain such terms, covenants and conditions as the resolution of the Board authorizing the bonds may provide.

(C) The resolution of the board authorizing the bonds may provide for the execution by the district of a trust indenture with a bank or trust company, within or without the State of Arkansas, which defines the rights of the holders and registered owners of the bonds and provides for the appointment of a trustee for the holders and registered owners of the bonds.

(D) The trust indenture may control the priority between successive issues and may contain such other terms, covenants, and conditions that are deemed desirable, including, without limitation those pertaining to the custody and application of the proceeds of the bonds, the collection and disposition of revenues, the maintenance and investment of various funds and reserves, the nature and extent of the security, the rights and duties of the district and the trustee for the holders or registered owners of the bonds and the rights of the holders or registered owners of the bonds.

(E) The bonds may be sold at such price, including sale at a discount, and in such manner as the board may determine.

(F) All bonds, whether previously or subsequently issued pursuant to the provisions of this act, shall be exempt from all State, county, and municipal taxes."

SECTION 2. Act No. 114 of 1957, as amended, and as amended hereby, is hereby confirmed.

SECTION 3. Any provision of law, whether special or general, in conflict with this act is expressly superseded by this act to the extent of such conflict. This act is supplemental to all other provisions of State law governing the issuance of bonds and, except as otherwise provided in this

act, the provisions of State law governing the issuance of bonds continue to apply.

SECTION 4. The provisions of this act shall be liberally construed in order to effectively carry out the purposes of this act.

SECTION 5. The provisions of this act are hereby declared to be severable. If any provision of this act shall be declared to be invalid or to be inapplicable to any person or circumstance, such determination shall not affect the validity or applicability of the other provisions 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. EMERGENCY. It is hereby found and determined by the General Assembly that there is an immediate and urgent need to provide for State, county, and municipal tax exemption for regional water distribution district bonds so that regional water distribution districts can reduce debt service costs. Therefore, an emergency is declared to exist and this act, being 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: March 20, 1989

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