

Stricken language would be deleted from and underlined language would be added to present law.

1 State of Arkansas
2 91st General Assembly
3 Regular Session, 2017
4

As Engrossed: H3/14/17

A Bill

HOUSE BILL 1549

5 By: Representative Davis
6

For An Act To Be Entitled

8 *AN ACT TO AMEND THE LAW CONCERNING MUNICIPAL SEWER*
9 *SERVICE; AND FOR OTHER PURPOSES.*

Subtitle

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12 *TO AMEND THE LAW CONCERNING MUNICIPAL*
13 *SEWER SERVICE.*
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17 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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20 SECTION 1. Arkansas Code § 14-234-111 is amended to read as follows:

21 14-234-111. Service to adjacent areas – Municipalities generally.

22 (a) ~~Any A~~ municipality ~~in the State of Arkansas~~ owning and operating a
23 municipal ~~waterworks~~ water system or a municipal sewer system ~~or both~~ may
24 extend its service lines beyond its corporate limits for the purpose of
25 giving water service, or sewer service, ~~or both~~, to adjacent or nearby areas
26 ~~where~~ if the demand for service is sufficient to produce revenues that will
27 retire the cost of the service lines.

28 (b)(1) A municipality owning and operating a municipal water system or
29 sewer system, ~~or both, without applying for a certificate of convenience and~~
30 ~~necessity,~~ may extend its water lines ~~and~~ or sewer lines ~~or both~~ to serve the
31 adjacent or nearby areas without applying for a certificate of convenience
32 and necessity.

33 (2) ~~In order to~~ To secure the funds with which to make the
34 service line extension or extensions, the municipality may issue negotiable
35 coupon bonds or interest-bearing certificates of indebtedness to be paid out
36 of the net revenues derived from the operation of the services ~~so~~ extended



1 and, for the payment of the bonds, may pledge not only the net revenues from
 2 the adjacent or nearby areas but also any unpledged revenues derived by the
 3 municipality from the operation of ~~either~~ its water system or sewer system,
 4 ~~or both~~, that may be available from year to year ~~in order~~ to prevent a
 5 default in the payment of the revenue bonds issued for the extension beyond
 6 the corporate limits.

7 (c) The bonds or certificates of indebtedness authorized under this
 8 section shall be issued and sold under the provisions governing the issuance
 9 and sale of municipal water revenue bonds, as set out in ~~subchapter 2 of~~
 10 ~~chapter 234 of this title~~ § 14-234-201 et seq.

11 (d) ~~Any~~ A municipality extending a service to an adjacent or nearby
 12 area ~~shall have the power to~~ may fix the schedule of rates for services ~~so~~
 13 extended.

14 (e)(1) A municipal sewer system shall provide sewer service to a
 15 nonresident property owner or consumer whose property is a new development
 16 required to go through a municipal planning commission process and lies
 17 within the territorial jurisdiction of the municipality, if the municipal
 18 sewer system has the capacity and the nonresident property owner or consumer:

19 (A) Requests the sewer service;

20 (B) Has secured necessary easements for the sewer service
 21 infrastructure;

22 (C) Has borne the cost of the sewer service infrastructure
 23 and the infrastructure existed at the time of the request under subdivision
 24 (e)(1) of this section;

25 (D) Deeds the sewer service infrastructure to the
 26 municipality; and

27 (E) Signs a pre-annexation agreement with the
 28 municipality.

29 (2) If the nonresident property owner or consumer whose property
 30 is a new development does not seek sewer service under subdivision (e)(1) of
 31 this section, the nonresident property owner or consumer shall comply with
 32 the requirements of § 8-4-203(b) for sewer service for the new development.

33 ~~(e)(f)~~ For the ~~purpose of carrying out the provisions~~ purposes of this
 34 section, a municipality ~~shall have~~ has the right of eminent domain ~~as is~~
 35 ~~provided in~~ under §§ 18-15-301-18-15-307 et seq.

36 ~~(f)(g)~~ Nothing in this ~~This~~ section ~~shall be construed to~~ does not

1 require a municipality to extend ~~either~~ water service or sewer service to
2 adjacent or nearby areas, except as provided under subsection (e) of this
3 section.

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/s/Davis