

Stricken language would be deleted from and underlined language would be added to the law as it existed prior to this session of the General Assembly.

Act 1609 of the Regular Session

1 State of Arkansas
2 86th General Assembly
3 Regular Session, 2007
4

As Engrossed: H3/30/07

A Bill

HOUSE BILL 2308

5 By: Representative S. Dobbins
6
7

For An Act To Be Entitled

9 AN ACT TO ALLOW SURPLUS MUNICIPAL ELECTRIC
10 UTILITY REVENUES TO BE USED FOR ASSISTANCE TO
11 LOW-INCOME CUSTOMERS; AND FOR OTHER PURPOSES.
12

Subtitle

13 TO ALLOW SURPLUS MUNICIPAL ELECTRIC
14 UTILITY REVENUES TO BE USED FOR
15 ASSISTANCE TO LOW-INCOME CUSTOMERS.
16
17
18

19 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
20

21 SECTION 1. Arkansas Code § 14-199-101 is amended to read as follows:
22 14-199-101. Surplus revenues.

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

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

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

35 (b) Any municipality in this state is authorized to pledge and use



1 surplus revenues derived from one (1) or more of the water, sewer, gas, or
2 electric utilities already owned at the time of any such pledge or use by the
3 municipality for any of the following purposes only:

- 4 (1) Off-street parking facilities;
- 5 (2) Sanitation facilities;
- 6 (3) Hospital buildings and facilities;
- 7 (4) Public park buildings, improvements, and facilities;
- 8 (5) Auditoriums;
- 9 (6) Convention centers;
- 10 (7) Streets and roadways;
- 11 (8) Airport improvements and facilities;
- 12 (9) City halls and municipal administration buildings;
- 13 (10) Public ports, harbors, and industrial or other facilities
14 related thereto, whether owned by the municipality or another public body;
- 15 (11) Fire and emergency equipment; ~~or~~
- 16 (12) Assistance for low-income customers under subsection (d) of

17 this section; or

18 ~~(12)~~(13) Any combination of the above purposes.

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

30 (d)(1)(A) The governing authority of a municipal electric utility may
31 use surplus revenues from the operation of the municipal electric utility to
32 provide assistance to low-income customers of the utility.

33 (B) Not more than four percent (4%) of surplus revenues
34 may be used by the governing authority of a municipal electric utility to
35 provide assistance to low-income customers of the utility.

36 (2) Assistance to low-income customers of the municipal electric

1 utility may include without limitation:

2 (A) Home energy efficiency improvements;

3 (B) Bill payment assistance; or

4 (C) Other assistance approved by the governing authority
5 of a municipal electric utility.

6 (3) If the governing authority of a municipal electric utility
7 uses surplus revenues to provide assistance to low-income customers of the
8 utility, the governing authority of a municipal electric utility shall
9 establish guidelines for the application of assistance, including without
10 limitation, qualifications for assistance and the manner in which assistance
11 is sought.

12
13 SECTION 2. EMERGENCY CLAUSE. It is found and determined by the
14 General Assembly of the State of Arkansas that as a result of changes in
15 wholesale electric markets municipal electric utilities are being forced to
16 substantially increase rates; that the increases in the electric rates being
17 charged by municipal electric utilities are in many instances creating
18 hardships for customers; and that this act is necessary because it will allow
19 municipalities to use municipal electric utility revenues to provide relief
20 from rate increases to customers who need relief in order to avoid
21 irreparable harm to those customers. Therefore, an emergency is declared to
22 exist and this act being immediately necessary for the preservation of the
23 public peace, health, and safety shall become effective on:

24 (1) The date of its approval by the Governor;

25 (2) If the bill is neither approved nor vetoed by the Governor,
26 the expiration of the period of time during which the Governor may veto the
27 bill; or

28 (3) If the bill is vetoed by the Governor and the veto is
29 overridden, the date the last house overrides the veto.

30
31 /s/ S. Dobbins

32
33 APPROVED: 4/10/2007