

1 INTERIM STUDY PROPOSAL 2017-023

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

As Engrossed: H3/14/17

A Bill

HOUSE BILL 1549

5
6 By: Representative Davis

7 Filed with: House Committee on City, County, and Local Affairs
8 pursuant to A.C.A. §10-3-217.

9 **For An Act To Be Entitled**

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

12
13
14 **Subtitle**

15 *TO AMEND THE LAW CONCERNING MUNICIPAL*
16 *SEWER SERVICE.*

17
18
19 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

20
21
22 SECTION 1. Arkansas Code § 14-234-111 is amended to read as follows:

23 14-234-111. Service to adjacent areas – Municipalities generally.

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

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

35 (2) ~~In order to~~ To secure the funds with which to make the
36 service line extension or extensions, the municipality may issue negotiable

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

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

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

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

21 (A) Requests the sewer service;

22 (B) Has secured necessary easements for the sewer service
 23 infrastructure;

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

27 (D) Deeds the sewer service infrastructure to the
 28 municipality; and

29 (E) Signs a pre-annexation agreement with the
 30 municipality.

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

