

State of Arkansas

76th General Assembly

Regular Session, 1987

HOUSE BILL 1543

By: Representatives Dugger and Hays

"AN ACT TO AMEND ACT NO. 441 OF 1983, TO PROVIDE FOR THE PLEDGING OF SURPLUS MUNICIPAL UTILITY REVENUES TO THE PAYMENT OF BONDS ISSUED THEREUNDER; TO PERMIT THE ISSUANCE OF REFUNDING BONDS UNDER CERTAIN ADDITIONAL CIRCUMSTANCES; DECLARING AN EMERGENCY; AND FOR OTHER PURPOSES."

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

SECTION 1. Section 4 of Act No. 441 of 1983 [Ark. Stat. §19-6004 (Supp. 1985)] is hereby amended to read as follows:

"Section 4. The Bonds and coupons issued under this Act shall not be general obligations of the Municipality, but shall be special obligations payable from and secured by a pledge of revenues derived from the Municipality's Electric System and otherwise secured as provided in this Act, and in no event shall the Bonds and coupons constitute an indebtedness of the Municipality within the meaning of any constitutional or statutory limitation. It shall be plainly stated on the face of each Bond that the same has been issued under the provisions of this Act and that it does not constitute an indebtedness of the Municipality within any constitutional or statutory limitation. In addition, the Municipality is authorized to pledge to and use for the payment of the principal of and interest on the Bonds, together with other expenses in connection therewith, surplus revenues derived from water, sewer and gas utilities owned by the Municipality. Surplus revenues, as used herein, are hereby defined to mean revenues remaining after adequate provision shall have been made for expenses of operation, maintenance and depreciation and all requirements of ordinances, orders and/or indentures securing bonds, theretofore or thereafter issued to finance the cost of acquiring, constructing, reconstructing, extending and/or improving said utilities, have been fully met and complied with."

SECTION 2. Section 5 of Act No. 441 of 1983 [Ark. Stat. §19-6005 (Supp. 1985)] is hereby amended to read as follows:

"Section 5. Bonds may be issued for the purpose of refunding any Bonds issued hereunder or any bonds issued under other applicable legislation payable from and secured by, in whole or in part, a pledge of revenues derived from the Municipality's Electric System. Such refunding Bonds may be combined with Bonds issued under the provisions of Section 3 of this Act into a single issue. When refunding Bonds are issued, such Bonds may either be sold or delivered in exchange for the Bonds being refunded. If sold, the proceeds may be either applied to the payment of the Bonds being refunded or deposited in escrow for the retirement thereof. All refunding Bonds shall in all respects be issued and secured in the manner provided for other Bonds issued under this Act and shall have all the attributes of such Bonds. The ordinance or trust indenture under which such refunding Bonds are issued may provide that any of the refunding Bonds shall have the same priority of lien on and security interest in Electric System revenues and the Electric System as was enjoyed by the Bonds refunded thereby."

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

SECTION 4. EMERGENCY. It is hereby found and determined by the General Assembly that adequate, reliable and economical supplies of electric power and energy are essential to the continued health, welfare, safety, economic growth and development of the State of Arkansas and its people and that the availability of the authorities and powers granted by this Act is immediately necessary for the accomplishment and realization of such public benefits. Therefore, an emergency is hereby 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.

