

State of Arkansas

76th General Assembly

First Extraordinary Session, 1987

SENATE BILL

37

By: Senator Beebe

"AN ACT TO AMEND ACT 852 OF 1987 IN ORDER TO ENABLE BONDS TO BE ISSUED BY REGIONAL WATER DISTRIBUTION DISTRICTS AND TO EXEMPT REFUNDING BONDS AND CERTAIN PERMANENT BONDS FROM THE PROVISIONS OF ACT 852 OF 1987; AND DECLARING AN EMERGENCY."

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

SECTION 1. Subsections (A), (D) and (E) of Section 3 of Act 852 of 1987 are hereby amended to read as follows:

"(A) 'Bonds' or 'revenue bonds' means bonds issued pursuant to an Act of the General Assembly under the authority of Amendment No. 65, and means all bonds or other obligations the repayment of which are secured by rents, loan payments, user fees, charges, or other revenues derived from any special fund or source other than assessments for local improvements and taxes; provided, however, that terms 'bonds' or 'revenue bonds' shall not be deemed to include bonds or other obligations issued for the purpose of (1) refunding bonds or other obligations or (2), if temporary bonds or other obligations are outstanding, providing permanent financing for the capital improvements of a public nature or industrial enterprises for which the temporary financing was secured."

"(D) 'Governmental unit' means (i) the State of Arkansas or any agency or other instrumentality of the State other than an institution of higher education, and (ii) any county, municipality, regional water distribution district or other political subdivision of the State of Arkansas, or any agency or instrumentality thereof."

"(E) 'Governing body' means (i) with respect to any governmental unit described in subsection (D)(i) above, the Governor of the State of Arkansas, and, (ii) with respect to any governmental unit described in subsection (D)(ii) above, the county court of a county, the board of directors of a

regional water distribution district, or the council, board of directors, board of commissioners, or similar elected body of a city or town."

SECTION 2. Section 4 of Act 852 of 1987 is hereby amended to read as follows:

"Section 4. Whenever a governmental unit shall determine the need to issue revenue bonds for capital improvements of a public nature or industrial enterprise, the governing body shall authorize the issuance of such bonds by proclamation, order, ordinance, or in the case of regional water distribution districts, resolutions, clearly stating the purpose or purposes for which the bonds are to be issued and the principal amount of bonds applicable to each purpose. Only upon such proclamation, order, ordinance or resolution of the governing body shall the governmental unit be authorized to issue such bonds."

SECTION 3. Section 5 of Act 852 of 1987 is hereby amended to read as follows:

"Section 5. No proclamation, order or ordinance prescribed by Section 4 of this Act shall be entered by the governing body until the governing body, the governmental unit or the delegate of either shall have conducted a public hearing in the locality to be affected by the issuance of the bonds or, in the case of regional water distribution districts, in the county seat of the county in which the majority of the land lies in the district. At least fourteen (14) days before the date set for such public hearing, notice thereof shall be published one (1) time in a newspaper of general circulation in the locality to be affected, or in the case of regional water distribution districts, in a newspaper of general circulation in each county in which land lies within the boundaries of the district. Such notice shall contain a general description of the purpose or purposes for which the bonds are to be issued, the principal amount thereof, and shall state the date, time and place of such public hearing."

SECTION 4. EMERGENCY. It is hereby found and determined by the General Assembly that Act 852 of 1987 should apply only to revenue bonds issued to finance new capital improvements of a public nature and new industrial enterprises but not to bonds issued to refinance capital improvements of a

public nature or industrial enterprises because it would be an unnecessary burden on state and local government to require the expense of publication costs and time for a hearing on such refinancing. It is also hereby found and determined that the issuance of revenue bonds by regional water distribution districts has been unduly restricted by Act 852 of 1987 and the amendments thereto made hereby are intended to enable such districts to issue their revenue bonds to finance water improvements which are necessary for the inhabitants of the State to have sufficient availability of water resources. Therefore, an emergency is declared to exist, and this Act being necessary for the preservation of the public peace, health and safety shall take effect and be in force from July 19, 1987 which is the effective date of Act 852 of 1987.

