

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.

1 State of Arkansas
2 84th General Assembly
3 Regular Session, 2003
4

A Bill

SENATE BILL 387

5 By: Senator J. Bookout
6 By: Representative P. Bookout
7
8

For An Act To Be Entitled

9
10 AN ACT PERTAINING TO WATER RESOURCES; TO AMEND
11 ARKANSAS CODE TITLE 15, CHAPTER 22, SUBCHAPTER 11
12 TO TRANSFER ALL DUTIES, POWERS, FUNCTIONS,
13 ASSETS, PROPERTIES, AND APPROPRIATIONS OF THE
14 SAFE DRINKING WATER FUND OF THE ARKANSAS
15 DEVELOPMENT FINANCE AUTHORITY TO THE ARKANSAS
16 SOIL AND WATER CONSERVATION COMMISSION; TO REPEAL
17 ARKANSAS CODE TITLE 15, CHAPTER 5, CONCERNING THE
18 WATER RESOURCES AND WASTE DISPOSAL REVOLVING LOAN
19 FUND; AND FOR OTHER PURPOSES.
20

Subtitle

21 AN ACT PERTAINING TO WATER RESOURCES.
22
23
24

25 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
26

SECTION 1. TRANSFER OF FUND.

27
28 (a) The Safe Drinking Water Fund established by Act 718 of 1991, as
29 amended, of the Arkansas Development Finance Authority and its powers,
30 duties, functions, assets, records, properties, funds, and appropriations are
31 transferred by Type 2 transfer as provided in Arkansas Code § 25-2-105 to the
32 Arkansas Soil and Water Conservation Commission.

33 (b) For the purposes of this section, the Arkansas Soil and Water
34 Conservation Commission shall be considered a principal department
35 established by Act 38 of 1971.
36



1 SECTION 2. Arkansas Code §§ 15-22-1102 through 15-22-1106 are amended
 2 to read as follows:

3 15-22-1102. Creation – Terms and conditions for expenditures – Special
 4 accounts.

5 (a)(1) There is ~~hereby~~ established on the books of the ~~Arkansas~~
 6 ~~Development Finance Authority~~ Arkansas Soil and Water Conservation Commission
 7 a special restricted fund to be known as the “Safe Drinking Water Fund”,
 8 which shall be maintained in perpetuity ~~by the authority~~ and administered by
 9 the ~~Arkansas Soil and Water Conservation Commission~~ commission and the
 10 Department of Health ~~as hereinafter set forth~~ under this subchapter, for the
 11 purposes stated ~~herein~~ in this subchapter.

12 (2) Grants from the federal government or its agencies allotted
 13 to the state for capitalization of the fund, state matching grants where
 14 required, proceeds of bonds issued by ~~the authority or the commission~~ or the
 15 Arkansas Development Finance Authority for such purpose for capitalization of
 16 the fund, and ~~loan~~ principal, interest, and premiums on loans provided and
 17 bonds, notes, and other evidences of indebtedness purchased with moneys in
 18 the fund shall be deposited ~~directly~~ in the fund.

19 (3) The commission may deposit proceeds from loans, bonds,
 20 notes, and other evidences of indebtedness issued by owners to finance or
 21 refinance water systems or parts of water systems in the fund.

22 (b) Moneys in the fund shall be expended in a manner consistent with
 23 the terms and conditions of applicable federal and state capitalization
 24 grants and may be used:

25 (1) To provide loans for the planning, design, acquisition,
 26 construction, expansion, equipping, ~~and/or~~ rehabilitation, consolidation, or
 27 refinancing of water systems or parts ~~thereof~~ of water systems;

28 (2) Subject to the provisions of subsections (c), (d), and (e)
 29 of this section and subject to the approval of the commission, to secure the
 30 payment of the principal of and premium, if any, and interest on and to pay
 31 costs incurred in connection with bonds issued by the commission or the
 32 authority, if ~~the net~~ proceeds of ~~such~~ the bonds are deposited into the
 33 Drinking Water State Revolving Loan Fund Account;

34 (3) To pay the principal of and premium, if any, and interest on
 35 and to pay costs incurred in connection with bonds issued by the commission
 36 or the authority, if ~~the net~~ proceeds of ~~such~~ the bonds are deposited in the

1 ~~Drinking Water State Revolving Loan Fund Account~~ revolving loan account;

2 (4) To purchase bonds, notes, or other evidences of indebtedness
 3 issued by owners to finance or refinance water systems or parts ~~thereof~~ of
 4 water systems;

5 (5) To fund other water system programs which the federal or
 6 state government may allow in the future ~~through grants~~;

7 (6) To fund the administrative expenses of the commission
 8 relating to the responsibilities and requirements of this subchapter and the
 9 Safe Drinking Water Act;

10 (7) To fund technical assistance for water systems, assistance
 11 to state programs such as the public water system supervisory, source water
 12 protection, capacity development, health effects studies, unregulated
 13 contaminant monitoring, small system technical assistance, and operation and
 14 training certification programs, and other purposes permitted by the Safe
 15 Drinking Water Act; ~~or~~

16 (8) To provide for any other expenditures consistent with
 17 applicable federal and state law;

18 (9) To make grants or loans to the Construction Assistance
 19 Revolving Loan Fund established under §§ 15-5-901 through 15-5-906, in
 20 amounts approved by the commission, consistent with applicable federal law;
 21 or

22 (10) Subject to the provisions of subsections (c), (d), and (e)
 23 of this section and subject to the approval of the commission, to secure the
 24 payment of the principal of and premium, if any, and interest on bonds issued
 25 by the commission or the authority, if proceeds of the bonds are deposited
 26 into the Construction Assistance Revolving Loan Fund established under §§ 15-
 27 5-901 through 15-5-906, consistent with applicable federal law.

28 (c)(1) There is ~~hereby~~ established a separate account within the fund
 29 designated the “Drinking Water State Administrative Account”, into which
 30 moneys provided by the federal government pursuant to the Safe Drinking Water
 31 Act for the purpose of administering programs funded by the Safe Drinking
 32 Water Act and fees pursuant to §§ 15-22-1106 and 15-22-1107 of this
 33 subchapter shall be deposited.

34 (2) Moneys in the administrative account may be expended by the
 35 commission for administrative costs of programs funded by the Safe Drinking
 36 Water Act.

1 (3) Moneys in the ~~Drinking Water State Administrative Account~~
 2 administrative account shall never be pledged for the payment of or as
 3 security for any bonds issued by the authority or the commission.

4 (d)(1) There is ~~hereby~~ established a separate account within the fund
 5 designated the “Drinking Water State Set Aside Account”, into which moneys
 6 provided by the federal government pursuant to the Safe Drinking Water Act
 7 for the purpose of funding costs of technical assistance to water systems,
 8 assistance to state programs such as the public water system supervisory,
 9 source water protection, capacity development, health effects studies,
 10 unregulated contaminant monitoring, small system technical assistance, and
 11 operation and training certification, and ~~for~~ other purposes permitted by the
 12 Safe Drinking Water Act, to be paid from set asides, shall be deposited.

13 (2) Moneys in the ~~Drinking Water State Set Aside Account~~ set
 14 aside account may be expended for the purpose of funding the cost of ~~federal~~
 15 assistance to water systems, assistance to state programs, such as public
 16 water system supervisory, source water protection, capacity development,
 17 health effects studies, unregulated contaminant monitoring, small system
 18 technical assistance, and ~~operation~~ operator training and certification
 19 programs, and other purposes permitted by the Safe Drinking Water Act to be
 20 paid from set asides.

21 (3) Moneys in the ~~Drinking Water State Set Aside Account~~ set
 22 aside account shall never be pledged for the payment of or as security for
 23 any bonds issued by the authority or the commission.

24 (e)(1) There is ~~hereby~~ established a separate account within the fund
 25 designated the “Drinking Water State Grants Account”, into which moneys
 26 appropriated by the state for deposit into the fund shall be deposited.

27 (2) Moneys in the state grants account may be expended for the
 28 same purposes as other moneys in the fund, provided, however, that moneys in
 29 the ~~Drinking Water State Grants Account~~ state grants account shall never be
 30 pledged for the payment of or as security for any bonds issued by the
 31 commission or the authority ~~or the commission~~.

32 (f)(1) There is ~~hereby~~ established a separate account within the fund
 33 designated the “Drinking Water State Revolving Loan Fund Account”, into which
 34 shall be deposited moneys provided by:

35 (A) The federal government pursuant to the Safe Drinking
 36 Water Act;

1 (B) Proceeds of bonds issued by the commission ~~and~~ or the
 2 authority; and

3 (C) Other amounts, excluding state appropriations,
 4 received pursuant to § 15-22-1105, for the purpose of providing financial
 5 assistance to owners in connection with the planning, design, acquisition,
 6 construction, expansion, equipping, ~~and/or~~ or rehabilitation of a water
 7 system, or parts ~~thereof~~ of a water system.

8 (2) Moneys in the ~~Drinking Water State Revolving Loan Fund~~
 9 ~~Account~~ revolving loan account may also be expended for the purposes set
 10 forth in subdivisions ~~(b)(1) (b)(5), and (b)(8)~~ (b)(1) through (b)(5), and
 11 (b)(8) through (b)(10) of this section.

12 (g) ~~With the approval of the~~ The commission, ~~the authority~~ may
 13 establish and maintain additional accounts within the fund or subaccounts
 14 within the accounts established ~~hereby~~ by this section.

15 (h) The commission shall maintain the fund at the authority or at one
 16 (1) or more financial institutions within or without the State.

17
 18 15-22-1103. Administration of fund generally.

19 (a)(1) Except for the Drinking Water State Set Aside Account, the Safe
 20 Drinking Water Fund shall be administered by the Arkansas Soil and Water
 21 Conservation Commission, ~~as agent for the Arkansas Development Finance~~
 22 ~~Authority,~~ and the commission is authorized to establish procedures and adopt
 23 ~~such~~ regulations as may be required to administer the fund and programs
 24 financed in whole or in part with moneys in the fund in accordance with
 25 federal or state law providing for water systems, including particularly,
 26 without limitation, the Safe Drinking Water Act, .

27 (2) The commission is authorized, ~~and~~ to enter into contracts
 28 and other agreements in connection with the operation of the fund, including,
 29 but not limited to, contracts and agreements with federal agencies, owners,
 30 the ~~authority~~ Arkansas Development Finance Authority, the Department of
 31 Health, and other ~~parties~~ persons to the extent necessary or convenient for
 32 the implementation of the fund ~~program~~ and programs financed in whole or in
 33 part with moneys in the fund.

34 (3) The commission shall execute capitalization grant agreements
 35 on behalf of the state in order to obtain funds under the Safe Drinking Water
 36 Act.

1 ~~(2)(4)(A)~~ Notwithstanding the above, the department shall have
 2 the authority to establish a priority list for water systems, the owners of
 3 which ~~will~~ are eligible to receive financial assistance from moneys in the
 4 revolving loan account, ~~and the department and the commission shall jointly~~
 5 ~~execute capitalization grant agreements on behalf of the state in order to~~
 6 ~~obtain funds under the Safe Drinking Water Act.~~

7 (B) The department shall also have the authority to carry
 8 out oversight and related activities, other than financial administration,
 9 with respect to financial assistance.

10 (C) The department may delegate its authority under this
 11 subsection to the commission.

12 ~~(b) Acting as agent for the authority, the~~ The commission shall
 13 maintain full authority for the operation of the fund, except the ~~Drinking~~
 14 ~~Water State Set Aside Account~~ set aside account, in accordance with
 15 applicable federal and state law, including withdrawals necessary to achieve
 16 the intended purposes of the fund.

17 (c) To the extent ~~that funds~~ moneys received from the federal
 18 government under the Safe Drinking Water Act and nonappropriated state
 19 matches do not designate the account into which ~~such funds~~ those moneys shall
 20 be deposited, the ~~funds~~ moneys shall be deposited into the accounts within
 21 the fund as designated by the commission.

22
 23 15-22-1104. Administration of set aside account.

24 (a) The Drinking Water State Set Aside Account shall be administered
 25 by the Department of Health, ~~as agent for the Arkansas Development Finance~~
 26 ~~Authority,~~ and the department is authorized to establish procedures and adopt
 27 ~~such~~ regulations as may be required to administer the set aside account and
 28 programs financed in whole or in part with moneys in the set aside account in
 29 accordance with federal or state law providing for water systems, including,
 30 without limitation, the Safe Drinking Water Act, and to enter into contracts
 31 and other agreements in connection with the operation of the set aside
 32 account, including, but not limited to, contracts and agreements with federal
 33 agencies, the ~~authority,~~ Arkansas Development Finance Authority, the Arkansas
 34 Soil and Water Conservation Commission, and other parties to the extent
 35 necessary or convenient for the implementation of the ~~fund program~~ Safe
 36 Drinking Water Fund and programs financed in whole or in part with moneys in

1 the fund.

2 (b) ~~Acting as agent for the authority, the~~ The department shall
 3 maintain full authority for the operation of the set aside account in
 4 accordance with applicable federal and state law, including withdrawals
 5 necessary to achieve the intended purposes of the set aside account.

6

7 15-22-1105. Authority to accept grants – Deposit of funds received.

8 (a) The Arkansas Soil and Water Conservation Commission and the
 9 Arkansas Development Finance Authority ~~is, as agent for the commission,~~ are
 10 authorized to accept grants for the use of the Safe Drinking Water Fund from
 11 any state or federal agencies, municipalities, corporations, foundations,
 12 individual donees, or authorities, specifically including, but not limited
 13 to, appropriations from the State Treasury as heretofore or hereafter
 14 provided.

15 (b) All moneys received by the commission or the authority under and
 16 pursuant to the provisions of this subchapter shall be deposited as and when
 17 received in the fund, except as otherwise specifically provided by federal or
 18 state law.

19 (c)(1) Except for moneys hereafter deposited in or paid to the
 20 commission or the authority for deposit in the Drinking Water State Grants
 21 Account, all moneys now or hereafter received for, deposited in, or paid to
 22 the commission or the authority for deposit in the fund are specifically
 23 declared to be cash funds, restricted in their use, and which shall not be
 24 deposited in the State Treasury or deemed to be a part of the State Treasury
 25 for the purposes of Arkansas Constitution, Article 5, § 29, Arkansas
 26 Constitution, Article 16, § 12, Arkansas Constitution, Amendment 20, or any
 27 other constitutional or statutory provisions, but shall be held and applied
 28 by the commission or the authority, as agent for the commission, solely for
 29 the uses set forth in this subchapter.

30 (2) Interest and other moneys received from the investment of
 31 moneys, the purchase of bonds, notes, or other evidences of indebtedness
 32 issued by owners, or the making of loans with moneys in the fund, including
 33 in each case moneys in the state grants account, are declared to be cash
 34 funds, restricted in their use, and shall not be deposited in the State
 35 Treasury, but shall be held and applied by the commission and the authority,
 36 as agent for the commission, solely for the uses set forth in this

1 subchapter.

2

3 15-22-1106. Fees for services provided by commission.

4 (a)(1) The Arkansas Soil and Water Conservation Commission is hereby
 5 authorized to establish and collect fees for its technical and administrative
 6 services in connection with the planning, design, acquisition, construction,
 7 expansion, equipping, or rehabilitation of water systems or parts ~~thereof,~~ of
 8 water systems financed in whole or in part with moneys in the Safe Drinking
 9 Water Fund.

10 (2) The authority granted in this section shall be supplemental
 11 to the authority granted to the commission under other laws to establish fees
 12 for its services.

13 (b) ~~Such~~ The fees shall be payable in any one (1) or more of the
 14 following methods:

15 (1) From ~~the~~ proceeds of bonds, notes, or other evidences of
 16 indebtedness of an owner purchased from moneys in the fund;

17 (2) From ~~the~~ proceeds of bonds issued by the commission or the
 18 Arkansas Development Finance Authority ~~or the commission~~ in connection with
 19 the fund; or

20 (3) From periodic payments due on the bonds, notes, or other
 21 evidences of indebtedness of an owner purchased with moneys in the fund.

22

23 SECTION 3. Arkansas Code §§ 15-22-1108 through 15-22-1110 are amended
 24 to read as follows:

25 15-22-1108. Federal grants deposited into fund.

26 (a) Notwithstanding the provisions of §§ 19-6-108 and 19-6-601, grants
 27 to the state received by the Treasurer of State from the federal government
 28 for deposit into the Safe Drinking Water Fund are declared to be cash funds
 29 restricted in their use and dedicated and are to be used solely as authorized
 30 in this subchapter.

31 ~~(b) The cash funds, when received by the Treasurer of State, shall not~~
 32 ~~be deposited or deemed to be a part of the State Treasury for the purposes of~~
 33 ~~Arkansas Constitution, Article 5, §29, Arkansas Constitution, Article 16,~~
 34 ~~§12, Arkansas Constitution, Amendment 20, or any other constitutional or~~
 35 ~~statutory provision.~~

36 (b) The commission and the authority are authorized to accept moneys

1 for deposit into the fund from allocations from the Treasurer of State as
 2 provided in this section.

3 ~~(c)(1) The Treasurer of State shall pay the cash funds to the~~
 4 ~~authority for deposit in the fund to be used for the purposes authorized by~~
 5 ~~this subchapter.~~

6 ~~(2) Such federal grants transferred directly to the Arkansas~~
 7 ~~Department Finance Authority are declared to be cash funds restricted in~~
 8 ~~their use and dedicated and to be used solely as authorized in this~~
 9 ~~subchapter.~~

10
 11 15-22-1109. Use of revolving loan account.

12 ~~(a) With the approval of the~~ The Arkansas Soil and Water Conservation
 13 Commission and, with the approval of the commission, the Arkansas Development
 14 Finance Authority ~~is~~ are authorized to use the moneys in the Drinking Water
 15 State Revolving Loan Fund Account, excluding the Drinking Water State Grants
 16 Account, and the assets acquired with moneys in the revolving loan account to
 17 secure the payment of the principal of and premium, if any, and interest on
 18 bonds issued by the commission or the authority if ~~the net~~ proceeds of ~~such~~
 19 the bonds are deposited into the revolving loan account.

20 ~~(b) The commission and, with the approval of the commission, the~~
 21 authority are authorized to pledge the revolving loan account, excluding the
 22 state grants account, and the assets acquired with moneys in the revolving
 23 loan account to secure the payment of the principal of and premium, if any,
 24 and interest on bonds issued by the commission or the authority if proceeds
 25 of the bonds are deposited into the Construction Assistance Revolving Loan
 26 Fund under §§ 15-5-901 through 15-5-906, consistent with applicable federal
 27 law.

28
 29 15-22-1110. Withholding general revenue turnback.

30 (a) Should any city, town, county, or political subdivision receiving
 31 general revenue turnback funds, as defined in the Revenue Stabilization Law,
 32 § 19-5-101 et seq., fail, neglect, or refuse to pay any installment of
 33 principal, interest, or financing fee for a period of more than ninety (90)
 34 days past the due date in accordance with the written instrument for the
 35 repayment of its bonds, notes, or other evidences of indebtedness purchased
 36 with moneys in the Drinking Water State Revolving Loan Fund Account, the

1 Arkansas Soil and Water Conservation Commission, after notification to the
 2 city, town, county, or political subdivision, may certify to the Treasurer of
 3 State, the Auditor of State, and the Chief Fiscal Officer of the State, the
 4 name of the city, town, county, or political subdivision, the amount of
 5 deficiencies ninety (90) days or more past due.

6 (b) Upon certification, the Treasurer of State, the Auditor of State,
 7 and the Chief Fiscal Officer of the State are ~~hereby~~ directed to withhold
 8 from the city's, town's, county's, or other political subdivision's share of
 9 general revenue turnback, as such share is defined in the Revenue
 10 Stabilization Law, § 19-5-101 et seq., as the same may be amended from time
 11 to time, the amount so certified as due and to transfer such amount to the
 12 ~~Drinking Water State Revolving Loan Fund~~ revolving loan account and the
 13 Drinking Water State Administrative Account as follows:

14 (1) Amounts withheld as fees shall be transferred to the
 15 Drinking Water State Administrative Account; and

16 (2) Amounts withheld as principal and interest shall be
 17 transferred to the ~~Drinking Water State Revolving Loan Fund Account~~ revolving
 18 loan account.

19
 20 SECTION 4. Arkansas Code Title 15, Chapter 22, Subchapter 11 is
 21 amended to add the following additional section:

22 15-22-1111. Substitution of loans.

23 The Arkansas Soil and Water Conservation Commission may remove any
 24 loan, bond, note, or other evidence of indebtedness purchased with moneys in
 25 the Drinking Water State Revolving Loan Fund Account from the revolving loan
 26 account and substitute another loan, bond, note, or other evidence of
 27 indebtedness not then in default as to payment of any installment of
 28 principal, interest, or financing fee, and having an equal or greater
 29 outstanding principal balance, made by the commission for a purpose
 30 authorized by this subchapter.

31
 32 SECTION 5. Arkansas Code Title 15, Chapter 5, Subchapter 10 is
 33 repealed.

34 ~~15-5-1001. Fund Establishment Uses Accounts.~~

35 ~~(a)(1) There is hereby established on the books of the Arkansas~~
 36 ~~Development Finance Authority a special restricted fund to be known as the~~

1 ~~"Water Resources and Waste Disposal Revolving Loan Fund" which shall be~~
 2 ~~maintained in perpetuity by the authority and administered by the Arkansas~~
 3 ~~Soil and Water Conservation Commission for the purposes stated herein.~~

4 ~~(2) Grants from the federal government or its agencies allotted~~
 5 ~~to the state for capitalization of the fund, state matching grants where~~
 6 ~~required, proceeds of bonds issued by the authority for such purpose, and~~
 7 ~~loan principal, interest, and premiums shall be deposited directly in the~~
 8 ~~fund.~~

9 ~~(b) Moneys in the fund shall be expended in a manner consistent with~~
 10 ~~the terms and conditions of applicable federal and state capitalization~~
 11 ~~grants and may be used.~~

12 ~~(1) To provide loans for the construction or rehabilitation of~~
 13 ~~public water systems and waste disposal or pollution abatement facilities;~~
 14

15 ~~(2) Subject to the provisions of subsection (c) of this section,~~
 16 ~~to secure the payment of the principal of and premium, if any, and interest~~
 17 ~~on and to pay costs incurred in connection with bonds issued by the authority~~
 18 ~~if the net proceeds of such bonds are deposited into the fund;~~

19 ~~(3) To purchase bonds, notes, or other evidences of indebtedness~~
 20 ~~issued by local governmental entities for water systems and waste disposal or~~
 21 ~~pollution abatement projects;~~

22 ~~(4) To fund other water system and waste disposal or pollution~~
 23 ~~abatement programs which the federal or state government may allow in the~~
 24 ~~future through grants;~~

25 ~~(5) To fund the administrative expenses of the commission~~
 26 ~~relating to the responsibilities and requirements of this subchapter; or~~

27 ~~(6) To provide for any other expenditures consistent with~~
 28 ~~applicable federal and state law.~~

29 ~~(c)(1) There is hereby established a separate account within the fund~~
 30 ~~designated the "State Grants Account" into which moneys appropriated to the~~
 31 ~~authority by the state for such purposes shall be deposited.~~

32 ~~(2)(A) Moneys in the account may be expended for the same~~
 33 ~~purposes as other moneys in the fund.~~

34 ~~(B) Provided, however, that moneys in the account shall~~
 35 ~~never be pledged to the payment of or as security for any bonds~~
 36 ~~issued by the authority pursuant to this subchapter.~~

1
2 ~~15-5-1002. Fund Administration.~~

3 ~~(a) The Water Resources and Waste Disposal Revolving Loan Fund shall~~
4 ~~be administered by the Arkansas Soil and Water Conservation Commission as~~
5 ~~agent for the Arkansas Development Finance Authority, and the commission is~~
6 ~~authorized to establish procedures and adopt such regulations as may be~~
7 ~~required to administer the fund and programs financed in whole or in part~~
8 ~~with moneys in the fund in accordance with federal or state law providing for~~
9 ~~public water systems or waste disposal or pollution abatement projects, as~~
10 ~~the same may be amended from time to time, and to enter into contracts and~~
11 ~~other agreements in connection with the operation of the fund, including, but~~
12 ~~not limited to, contracts and agreements with federal agencies, local~~
13 ~~governmental entities, the authority, and other parties to the extent~~
14 ~~necessary or convenient for the implementation of the program.~~

15 ~~(b) Acting as agent for the authority, the commission shall maintain~~
16 ~~full authority for the operation of the fund in accordance with applicable~~
17 ~~federal and state law, including withdrawals necessary to achieve the~~
18 ~~intended purposes of the fund.~~

19
20 ~~15-5-1003. Fund Grants Deposits Cash funds.~~

21 ~~(a) The Arkansas Development Finance Authority is authorized to accept~~
22 ~~grants for the use of the funds from any state or federal agencies,~~
23 ~~municipalities, corporations, foundations, individual donees, or authorities,~~
24 ~~specifically including, but not limited to, grants from any federal agency~~
25 ~~for water programs or waste disposal programs or pollution abatement programs~~
26 ~~and appropriations from the State Treasury as heretofore or hereafter~~
27 ~~provided.~~

28 ~~(b)(1) Notwithstanding the provisions of §§ 19-6-108 and 19-6-601,~~
29 ~~grants to the state under the Clean Water Act and all amendments and~~
30 ~~modifications thereto and under any other federal laws relating to water~~
31 ~~systems and solid waste disposal facilities received by the Treasurer of~~
32 ~~State from the federal government are declared to be cash funds restricted in~~
33 ~~their use and dedicated and are to be used solely as authorized in this~~
34 ~~subchapter.~~

35 ~~(2) The cash funds, when received by the Treasurer of State,~~
36 ~~shall not be deposited or deemed to be a part of the State Treasury for the~~

1 purposes of Arkansas Constitution, Article 5, § 29; Arkansas Constitution,
 2 Article 16, § 12; Arkansas Constitution, Amendment 20; or any other
 3 constitutional or statutory provision.

4 (3)(A) The Treasurer of State shall pay the cash funds to the
 5 authority for deposit in the Water Resources and Waste Disposal Revolving
 6 Loan Fund to be used for the purposes authorized by this subchapter.

7 (B) Such federal grants transferred directly to the
 8 authority are declared to be cash funds restricted in their use and dedicated
 9 and to be used solely as authorized in this subchapter.

10 (4) All moneys received by the authority under and pursuant to
 11 this subchapter shall be deposited as and when received in the fund.

12 (c)(1) Except for moneys hereafter deposited in or paid to the
 13 authority for deposit in the State Grants Account, all moneys now or
 14 hereafter received for, deposited in, or paid to the authority for deposit in
 15 the fund are specifically declared to be cash funds, restricted in their use,
 16 and which shall not be deposited in the State Treasury or deemed to be a part
 17 of the State Treasury for the purposes of Arkansas Constitution, Article 5, §
 18 29; Arkansas Constitution, Article 16, § 12; Arkansas Constitution, Amendment
 19 20; or any other constitutional or statutory provisions, but shall be held
 20 and applied by the authority solely for the uses set forth in this
 21 subchapter.

22 (2) Interest and other moneys received from the investment of
 23 moneys, the purchase of bonds, notes, or other evidences of indebtedness
 24 issued by local governmental entities or the making of loans with moneys in
 25 the fund, including in each case moneys in the account, are declared to be
 26 cash funds, restricted in their use, and shall not be deposited in the State
 27 Treasury, but shall be held and applied by the authority solely for the uses
 28 set forth in this subchapter.

29
 30 15-5-1004. Fees for technical and administrative services

31 (a) The Arkansas Soil and Water Conservation Commission is hereby
 32 authorized to establish fees for its technical and administrative services in
 33 connection with construction or rehabilitation of public water systems or
 34 waste disposal or pollution abatement projects financed in whole or in part
 35 with moneys in the Water Resources and Waste Disposal Revolving Loan Fund.

36 (b) Such fees shall be payable in any one (1) or more of the following

1 methods:

2 (1) ~~From the proceeds of bonds, notes, or other evidences of~~
 3 ~~indebtedness of a local governmental entity purchased from moneys in the~~
 4 ~~fund;~~

5 (2) ~~From the proceeds of bonds issued by the Arkansas~~
 6 ~~Development Finance Authority in connection with the fund; or~~

7 (3) ~~From periodic payments due on the bonds, notes, or other~~
 8 ~~evidences of indebtedness of a local governmental entity purchased with~~
 9 ~~moneys in the fund.~~

10 (c) ~~The authority is hereby authorized, if requested by the~~
 11 ~~commission, to collect the fees from local governmental entities and to remit~~
 12 ~~the fees directly to the commission within fifteen (15) days after each~~
 13 ~~periodic payment is made, and such fees shall not be deposited in the fund.~~

14

15 ~~15-5-1005. Security for bonds.~~

16 ~~Except for moneys in the State Grants Account, the Arkansas Development~~
 17 ~~Finance Authority is authorized to use the moneys in the Water Resources and~~
 18 ~~Waste Disposal Revolving Loan Fund and the assets acquired with moneys in the~~
 19 ~~fund to secure the payment of the principal of and premium, if any, and~~
 20 ~~interest on bonds issued by the authority if the net proceeds of such bonds~~
 21 ~~are deposited into the fund.~~

22

23 ~~15-5-1006. Administration and expenditure of funds—Indebtedness~~

24 (a) ~~The Arkansas Soil and Water Conservation Commission is~~
 25 ~~specifically authorized to cooperate and participate with the Arkansas~~
 26 ~~Development Finance Authority with respect to the administration and~~
 27 ~~expenditure of amounts in the Water Resources and Waste Disposal Revolving~~
 28 ~~Loan Fund in order to develop or finance any "project" as defined in §§ 15-~~
 29 ~~22-602 and 15-22-702.~~

30 (b) ~~Any bonds or other evidences of indebtedness issued by the~~
 31 ~~authority pursuant to the provisions of this subchapter shall not be limited~~
 32 ~~by, controlled by, or subject to the provisions of §§ 15-22-605—15-22-622 or~~
 33 ~~§§ 15-22-705—15-22-721.~~

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35 SECTION 6. EMERGENCY CLAUSE. It is hereby found and determined by the
 36 General Assembly of the State of Arkansas that administration of the Safe

1 Drinking Water Fund is of critical importance to the citizens of Arkansas,
2 that the fund may be administered more efficiently by an agency that
3 specializes in the administration of numerous other revolving loan programs
4 associated with water development projects, and that the provisions of this
5 act are necessary to preserve and improve the efficient administration of
6 these programs. Therefore, an emergency is declared to exist and this act
7 being necessary for the preservation of the public peace, health, and safety
8 shall be in full force and effective from and after July 1, 2003.

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