

State of Arkansas
86th General Assembly
Regular Session, 2007

A Bill

HOUSE BILL 2308

By: Representative S. Dobbins

For An Act To Be Entitled

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

Subtitle

TO ALLOW SURPLUS MUNICIPAL ELECTRIC
UTILITY REVENUES TO BE USED FOR
ASSISTANCE TO LOW-INCOME CUSTOMERS.

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

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

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

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

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

(b) Any municipality in this state is authorized to pledge and use surplus revenues derived from one (1) or more of the water, sewer, gas, or



electric utilities already owned at the time of any such pledge or use by the municipality for any of the following purposes only:

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

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

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

(2) Assistance to low-income customers of the municipal electric utility may include without limitation:

- (A) Home energy efficiency improvements;
- (B) Bill payment assistance; or
- (C) Other assistance approved by the governing authority

1 of a municipal electric utility.

2 (3) The governing authority of a municipal electric utility
 3 shall establish guidelines for the application of assistance, including
 4 without limitation, qualifications for assistance and the manner in which
 5 assistance is sought.

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

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

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

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