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	As Engrossed: H3/30/07	
2	86th General Assembly A B1II		
3	Regular Session, 2007HOUSE BILL		HOUSE BILL 2308
4			
5	By: Representative S. Dobbins		
6			
7			
8	For An Act To Be Entitled		
9	AN ACT TO ALLOW SURPLUS MUNICIPAL ELECTRIC		
10	UTILITY REVENUES TO BE USED FOR ASSISTANCE TO		
11	LOW-INCO	OME CUSTOMERS; AND FOR OTHER PURPOSE	IS.
12			
13		Subtitle	
14	TO ALLOW SURPLUS MUNICIPAL ELECTRIC		
15	UTILITY REVENUES TO BE USED FOR		
16	ASSIS	STANCE TO LOW-INCOME CUSTOMERS.	
17			
18			
19	BE IT ENACTED BY THE G	ENERAL ASSEMBLY OF THE STATE OF ARK	ANSAS:
20			
21	SECTION 1. Arkansas Code § 14-199-101 is amended to read as follows:		
22		plus revenues.	
23		this section, unless the context of	-
24	-	lus revenues" means revenues remain	0
25	-	een made for expenses of operation,	
26	-	ilities and all requirements pertai	
27	of principal, interest, and fees in connection with bonds and establishing		
28	and maintaining reserves of ordinances or indentures securing bonds issued to		
29	finance the cost of constructing, reconstructing, extending, improving, or		
30		s, have been fully met and complied	
31		ities" means the utility or utiliti	
32	pledging and use of surplus utility revenues pursuant to this section for the		
33	payment of the principal of, interest on, and paying agent's fees in		
34 25	connection with any bonds issued by the municipality.		
35		ality in this state is authorized t	
36	surplus revenues deriv	ed from one (1) or more of the wate	r, sewer, gas, or



HB2308

1 electric utilities already owned at the time of any such pledge or use by the 2 municipality for any of the following purposes only: Off-street parking facilities; 3 (1) 4 (2) Sanitation facilities; 5 (3) Hospital buildings and facilities; 6 (4) Public park buildings, improvements, and facilities; 7 (5) Auditoriums; 8 (6) Convention centers; 9 (7) Streets and roadways; (8) Airport improvements and facilities; 10 11 (9) City halls and municipal administration buildings; 12 (10) Public ports, harbors, and industrial or other facilities 13 related thereto, whether owned by the municipality or another public body; 14 (11) Fire and emergency equipment; or 15 (12) Assistance for low-income customers under subsection (d) of 16 this section; or 17 (12)(13) Any combination of the above purposes. The authority conferred by this section pertains to the pledging 18 (c) 19 and use of surplus utility revenues to bonds issued by municipalities for the 20 purposes set forth in subsection (b) of this section only, which purposes are 21 not related to the operation of utilities. Nothing in this section shall be 22 construed as modifying or diminishing the authority, the existence of which is confirmed and ratified, of the direct pledging and cross pledging of all 23 24 or any part of the revenues of each utility to utility revenue bonds issued for constructing, reconstructing, extending, improving, or equipping that and 25 26 other utilities already owned by the municipality at the time of any such 27 pledge, cross pledge, or use, as is presently done in the case of many 28 municipalities in the state. 29 (d)(1)(A) The governing authority of a municipal electric utility may 30 use surplus revenues from the operation of the municipal electric utility to provide assistance to low-income customers of the utility. 31 32 (B) Not more than four percent (4%) of surplus revenues 33 may be used by the governing authority of a municipal electric utility to provide assistance to low-income customers of the utility. 34 35 (2) Assistance to low-income customers of the municipal electric utility may include without limitation: 36

2

HB2308

1	(A) Home energy efficiency improvements;		
2	(B) Bill payment assistance; or		
3	(C) Other assistance approved by the governing authority		
4	<u>of a municipal electric utility.</u>		
5	(3) If the governing authority of a municipal electric utility		
6	uses surplus revenues to provide assistance to low-income customers of the		
7	utility, the governing authority of a municipal electric utility shall		
8	establish guidelines for the application of assistance, including without		
9	limitation, qualifications for assistance and the manner in which assistance		
10	is sought.		
11			
12	SECTION 2. EMERGENCY CLAUSE. It is found and determined by the		
13	General Assembly of the State of Arkansas that as a result of changes in		
14	wholesale electric markets municipal electric utilities are being forced to		
15	substantially increase rates; that the increases in the electric rates being		
16	charged by municipal electric utilities are in many instances creating		
17	hardships for customers; and that this act is necessary because it will allow		
18	municipalities to use municipal electric utility revenues to provide relief		
19	from rate increases to customers who need relief in order to avoid		
20	irreparable harm to those customers. Therefore, an emergency is declared to		
21	exist and this act being immediately necessary for the preservation of the		
22	public peace, health, and safety shall become effective on:		
23	(1) The date of its approval by the Governor;		
24	(2) If the bill is neither approved nor vetoed by the Governor,		
25	the expiration of the period of time during which the Governor may veto the		
26	bill; or		
27	(3) If the bill is vetoed by the Governor and the veto is		
28	overridden, the date the last house overrides the veto.		
29			
30	/s/ S. Dobbins		
31			
32			
33			
34			
35			
36			

3