

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 86th General Assembly
3 Regular Session, 2007
4

As Engrossed: H3/30/07

A Bill

HOUSE BILL 2308

5 By: Representative S. Dobbins
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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-INCOME CUSTOMERS; AND FOR OTHER PURPOSES.
12

Subtitle

13 TO ALLOW SURPLUS MUNICIPAL ELECTRIC
14 UTILITY REVENUES TO BE USED FOR
15 ASSISTANCE TO LOW-INCOME CUSTOMERS.
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19 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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21 SECTION 1. Arkansas Code § 14-199-101 is amended to read as follows:
22 14-199-101. Surplus revenues.

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

24 (1) "Surplus revenues" means revenues remaining after adequate
25 provision shall have been made for expenses of operation, maintenance, and
26 depreciation of the utilities and all requirements pertaining to the payment
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 equipping the utilities, have been fully met and complied with;

31 (2) "Utilities" means the utility or utilities involved in the
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 connection with any bonds issued by the municipality.

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



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:

3 (1) Off-street parking facilities;

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;

10 (8) Airport improvements and facilities;

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.

18 (c) The authority conferred by this section pertains to the pledging
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
23 is confirmed and ratified, of the direct pledging and cross pledging of all
24 or any part of the revenues of each utility to utility revenue bonds issued
25 for constructing, reconstructing, extending, improving, or equipping that and
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
31 provide assistance to low-income customers of the utility.

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
34 provide assistance to low-income customers of the utility.

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

