

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.

State of Arkansas

As Engrossed: H3/15/07

86th General Assembly

# A Bill

Regular Session, 2007

HOUSE BILL 2716

By: Representative King

## For An Act To Be Entitled

AN ACT TO ALLOW NON-PROFIT CORPORATIONS TO OWN  
AND OPERATE COMMUNITY SEWER SYSTEMS, AND FOR  
OTHER PURPOSES.

## Subtitle

AN ACT TO ALLOW NON-PROFIT CORPORATIONS  
TO OWN AND OPERATE COMMUNITY SEWER  
SYSTEMS.

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

*SECTION 1. Arkansas Code Title 14, Chapter 25 is amended to add an additional subchapter to read as follows:*

14-25-201. Responsible Management Entities – Wastewater treatment systems.

(a) As used in this section, "Responsible Management Entity" means a wastewater treatment system service provider organized and operating under this section.

(b) A nonprofit corporation formed for the purpose of providing responsible management of wastewater treatment systems where municipal sewer service is not available shall operate in accordance with § 14-250-113, and have the powers set forth in § 14-250-111.

(c) Any of the following may enter into an agreement to become a Responsible Management Entity for the purpose of providing responsible management of wastewater treatment systems, including community sewer systems and groups of septic systems in a contiguous development, where municipal sewer service is not available:



(1) A political subdivision of the state;

(2) A district or an authority formed under § 14-233-101 et seq.

or § 8-6-723;

(3) A nonprofit corporation formed for the purpose of providing

responsible management of wastewater treatment systems; or

(4) A rural water association.

(d)(1) Any installations, operations, or maintenance performed on a wastewater treatment system on behalf of a Responsible Management Entity shall be done in compliance with the laws of this state, and the rules of the Arkansas Department of Environmental Quality or its successor, and the Division of Health of the Department of Health and Human Services or its successor.

(2) A Responsible Management Entity must also ensure all appropriate operator licenses are current and any continuing education requirements are fulfilled.

(e)(1) A developer constructing a new wastewater treatment system where municipal sewer service is not available may transfer all liabilities for the wastewater treatment system to a responsible management entity if:

(A)(i) Before construction begins, the developer secures written approval of the proposed wastewater treatment system from the Division of Health of the Department of Health and Human Services, and from the Responsible Management Entity.

(ii) Approval from the Responsible Management Entity  
may be contained in a standard management agreement approved by the Arkansas  
Department of Environmental Quality;

(B) Covenants are contained in the deed for the wastewater treatment system requiring payment of reasonable fees by the purchaser to the Responsible Management Entity for ongoing operations and maintenance of the system; and

(C) Ownership of the wastewater treatment system is transferred to the responsible management entity upon completion.

(2) Under no circumstances shall the liability for fraud or negligence on the part of the developer be transferred.

/s/ King