1	State of Arkansas	As Engrossed: H3/11/25	
2	95th General Assembly	A Bill	
3	Regular Session, 2025		HOUSE BILL 1681
4			
5	By: Representatives Vaught, N	Milligan, Achor, F. Allen, Andrews, Barker,	Barnes, Barnett, Beaty Jr.,
6	Beck, Bentley, S. Berry, Breaux, Brooks, K. Brown, M. Brown, N. Burkes, R. Burkes, Joey Carr,		
7	Cavenaugh, Childress, Clowney, A. Collins, C. Cooper, Cozart, Crawford, Duffield, Eaton, Ennett,		
8	Eubanks, Evans, K. Ferguson, Furman, D. Garner, Gazaway, Gonzales, Gonzales Worthen, Gramlich,		
9	Hall, Hawk, Henley, Holcomb, Hollowell, Hudson, L. Johnson, Ladyman, Long, Maddox, Magie,		
10	McAlindon, McClure, McCullough, M. McElroy, McGrew, McGruder, McNair, S. Meeks, J. Moore, K.		
11	Moore, Nazarenko, Painter, Pearce, Puryear, J. Richardson, R. Scott Richardson, Richmond, Rose, Rye,		
12	Schulz, T. Shephard, Springer, Steele, Steimel, Torres, Tosh, Underwood, Unger, Walker, Warren, D.		
13	Whitaker, Wing, Wooldridge,	Wooten, Duke	
14	By: Senators J. Bryant, Hester,	, J. Boyd, Caldwell, Crowell, B. Davis, Dee	s, J. Dotson, J. English, Flippo,
15	S. Flowers, Gilmore, K. Hammer, B. Johnson, M. Johnson, G. Leding, F. Love, M. McKee, R. Murdock, J.		
16	Petty, J. Scott, Stone, G. Stubb	olefield, C. Tucker, D. Wallace	
17			
18		For An Act To Be Entitled	
19	AN ACT REGA	ARDING THE ARKANSAS NATURAL RESO	URCES
20	COMMISSION	; TO ESTABLISH THE WATER AND SEW	ER
21	TREATMENT 1	FACILITIES GRANT PROGRAM; TO CREA	ATE THE
22	WATER AND S	SEWER TREATMENT FACILITIES GRANT	PROGRAM
23	FUND; TO TH	RANSFER FUNDING FROM THE SECURIT	IES RESERVE
24	FUND; TO DI	ECLARE AN EMERGENCY; AND FOR OTH	ER
25	PURPOSES.		
26			
27			
28		Subtitle	
29	TO ES	TABLISH THE WATER AND SEWER	
30	TREAT	MENT FACILITIES GRANT PROGRAM; T	'0
31	TRANS	FER FUNDING FROM THE SECURITIES	
32	RESER	VE FUND; AND TO DECLARE AN	
33	EMERG	ENCY.	
34			
35	BE IT ENACTED BY THE G	ENERAL ASSEMBLY OF THE STATE OF	ARKANSAS:
36			



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1	SECTION 1. Arkansas Code § 19-5-905(a)(12), concerning the use of the		
2	Securities Reserve Fund, are amended to read as follows:		
3	(12) After the transfer enumerated in subdivision (a)(10) of		
4	this section and contingent upon available moneys in the Securities Reserve		
5	Fund, for a transfer by the Chief Fiscal Officer of the State of fifty		
6	million dollars (\$50,000,000) or as much as remains unobligated each fiscal		
7	year to the Water and Sewer Treatment Facilities Grant Program Fund; and		
8	(13) After all distributions and transfers under this section,		
9	less one hundred thousand dollars (\$100,000) under § 19-3-521(a)(2), for a		
10	transfer by the Chief Fiscal Officer of the State on the last business day of		
11	the fiscal year of the fund balance to the Catastrophic Reserve Fund.		
12			
13	SECTION 2. Arkansas Code § 19-6-301, concerning the enumeration of		
14	special revenues, is amended to read as follows:		
15	(276) Transfers from the Securities Reserve Fund under § 19-5-		
16	905(a)(11) to award grants under the Water and Sewer Treatment Facilities		
17	Grant Program established in § 25-43-203.		
18			
19	SECTION 3. Arkansas Code Title 19, Chapter 6, Subchapter 8, is amended		
19 20	SECTION 3. Arkansas Code Title 19, Chapter 6, Subchapter 8, is amended to add an additional section to read as follows:		
20	to add an additional section to read as follows:		
20 21	to add an additional section to read as follows: <u>19-6-845. Water and Sewer Treatment Facilities Grant Program Fund.</u>		
20 21 22	to add an additional section to read as follows: <u>19-6-845. Water and Sewer Treatment Facilities Grant Program Fund.</u> <u>(a) There is established on the books of the Treasurer of State, the</u>		
20 21 22 23	to add an additional section to read as follows: <u>19-6-845. Water and Sewer Treatment Facilities Grant Program Fund.</u> <u>(a) There is established on the books of the Treasurer of State, the</u> <u>Auditor of State, and the Chief Fiscal Officer of the State a special revenue</u>		
20 21 22 23 24	to add an additional section to read as follows: <u>19-6-845. Water and Sewer Treatment Facilities Grant Program Fund.</u> (a) There is established on the books of the Treasurer of State, the <u>Auditor of State, and the Chief Fiscal Officer of the State a special revenue</u> <u>fund to be known as the "Water and Sewer Treatment Facilities Grant Program</u>		
20 21 22 23 24 25	to add an additional section to read as follows: <u>19-6-845. Water and Sewer Treatment Facilities Grant Program Fund.</u> (a) There is established on the books of the Treasurer of State, the Auditor of State, and the Chief Fiscal Officer of the State a special revenue fund to be known as the "Water and Sewer Treatment Facilities Grant Program <u>Fund".</u>		
20 21 22 23 24 25 26	<pre>to add an additional section to read as follows: <u>19-6-845. Water and Sewer Treatment Facilities Grant Program Fund.</u> (a) There is established on the books of the Treasurer of State, the Auditor of State, and the Chief Fiscal Officer of the State a special revenue fund to be known as the "Water and Sewer Treatment Facilities Grant Program <u>Fund".</u> (b) The fund shall consist of:</pre>		
20 21 22 23 24 25 26 27	<pre>to add an additional section to read as follows: <u>19-6-845. Water and Sewer Treatment Facilities Grant Program Fund.</u> (a) There is established on the books of the Treasurer of State, the <u>Auditor of State, and the Chief Fiscal Officer of the State a special revenue</u> fund to be known as the "Water and Sewer Treatment Facilities Grant Program <u>Fund".</u> (b) The fund shall consist of: <u>(1) Moneys transferred to the fund under § 19-5-905; and</u></pre>		
20 21 22 23 24 25 26 27 28	<pre>to add an additional section to read as follows: <u>19-6-845. Water and Sewer Treatment Facilities Grant Program Fund.</u> (a) There is established on the books of the Treasurer of State, the <u>Auditor of State, and the Chief Fiscal Officer of the State a special revenue</u> <u>fund to be known as the "Water and Sewer Treatment Facilities Grant Program <u>Fund".</u> (b) The fund shall consist of: (1) Moneys transferred to the fund under § 19-5-905; and (2) Any other revenues as authorized by law.</u></pre>		
20 21 22 23 24 25 26 27 28 29	<pre>to add an additional section to read as follows: <u>19-6-845. Water and Sewer Treatment Facilities Grant Program Fund.</u> (a) There is established on the books of the Treasurer of State, the Auditor of State, and the Chief Fiscal Officer of the State a special revenue fund to be known as the "Water and Sewer Treatment Facilities Grant Program Fund". (b) The fund shall consist of: (1) Moneys transferred to the fund under § 19-5-905; and (2) Any other revenues as authorized by law. (c) The fund shall be used by the Arkansas Natural Resources</pre>		
20 21 22 23 24 25 26 27 28 29 30	<pre>to add an additional section to read as follows: 19-6-845. Water and Sewer Treatment Facilities Grant Program Fund. (a) There is established on the books of the Treasurer of State, the Auditor of State, and the Chief Fiscal Officer of the State a special revenue fund to be known as the "Water and Sewer Treatment Facilities Grant Program Fund". (b) The fund shall consist of: (1) Moneys transferred to the fund under § 19-5-905; and (2) Any other revenues as authorized by law. (c) The fund shall be used by the Arkansas Natural Resources Commission to award grants under the Water and Sewer Treatment Facilities</pre>		
20 21 22 23 24 25 26 27 28 29 30 31	<pre>to add an additional section to read as follows: 19-6-845. Water and Sewer Treatment Facilities Grant Program Fund. (a) There is established on the books of the Treasurer of State, the Auditor of State, and the Chief Fiscal Officer of the State a special revenue fund to be known as the "Water and Sewer Treatment Facilities Grant Program Fund". (b) The fund shall consist of: (1) Moneys transferred to the fund under § 19-5-905; and (2) Any other revenues as authorized by law. (c) The fund shall be used by the Arkansas Natural Resources Commission to award grants under the Water and Sewer Treatment Facilities</pre>		
20 21 22 23 24 25 26 27 28 29 30 31 32	<pre>to add an additional section to read as follows: <u>19-6-845. Water and Sewer Treatment Facilities Grant Program Fund.</u> (a) There is established on the books of the Treasurer of State, the Auditor of State, and the Chief Fiscal Officer of the State a special revenue fund to be known as the "Water and Sewer Treatment Facilities Grant Program Fund". (b) The fund shall consist of: (1) Moneys transferred to the fund under § 19-5-905; and (2) Any other revenues as authorized by law. (c) The fund shall be used by the Arkansas Natural Resources Commission to award grants under the Water and Sewer Treatment Facilities Grant Program established in § 25-43-203.</pre>		
20 21 22 23 24 25 26 27 28 29 30 31 32 33	<pre>to add an additional section to read as follows: <u>19-6-845. Water and Sewer Treatment Facilities Grant Program Fund.</u> (a) There is established on the books of the Treasurer of State, the Auditor of State, and the Chief Fiscal Officer of the State a special revenue fund to be known as the "Water and Sewer Treatment Facilities Grant Program Fund". (b) The fund shall consist of: (1) Moneys transferred to the fund under § 19-5-905; and (2) Any other revenues as authorized by law. (c) The fund shall be used by the Arkansas Natural Resources Commission to award grants under the Water and Sewer Treatment Facilities Grant Program established in § 25-43-203. SECTION 4. Arkansas Code Title 25, Chapter 43, Subchapter 2, is</pre>		

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1	Commission the Water and Sewer Treatment Facilities Grant Program to be		
2	administered by the commission.		
3	(2) The commission may hire personnel necessary to carry out the		
4	duties of administering the program.		
5	(b) The commission shall:		
6	(1) Create an application form to be submitted by eligible water		
7	and sewer treatment facilities seeking a matching grant from the program;		
8	(2) Devise an application process that:		
9	(A) Defines the eligibility criteria for a matching grant;		
10	and		
11	(B) Establishes application submission and review		
12	processes;		
13	(3) Define a process by which grants may be awarded;		
14	(4) Execute standard legal grant agreements and other		
15	documentation governing the disbursement and use of grants; and		
16	(5) Provide a matching grant to eligible water and sewer		
17	treatment facilities for infrastructure and improvement projects that are		
18	shovel-ready.		
19	(c) A recipient of a grant awarded under this section shall:		
20	(1) Begin the recipient's project within one (1) year of the		
21	award of the grant funds; and		
22	(2) Not be eligible for another grant until the awarded grant		
23	has been closed out.		
24	(d) Funding under the program shall be awarded as follows:		
25	(1) Eighty percent (80%) shall be awarded for shovel-ready		
26	projects in:		
27	(A) Cities of the first class and cities of the second		
28	class with a population over one thousand two hundred (1,200); or		
29	(B) Rural water and rural wastewater systems serving a		
30	population over one thousand two hundred (1,200); and		
31	(2) Twenty percent (20%) shall be awarded in:		
32	(A) Incorporated towns and cities of the second class with		
33	a population of one thousand two hundred (1,200) or less; or		
34	(B) Rural water and rural wastewater systems serving a		
35	population of one thousand two hundred (1,200) or less.		
36	(e) The commission shall promulgate rules to implement this section.		

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1	(f) The program under this section shall expire ten (10) years from	
2	the effective date of this act.	
3		
4	SECTION 5. EMERGENCY CLAUSE. It is found and determined by the	
5	General Assembly of the State of Arkansas that it is in the best interest of	
6	the citizens of this state to provide water and sewer grant opportunities for	
7	projects to keep Arkansas water systems safe and clean; and that this act is	
8	immediately necessary because there is a dire need to protect public health	
9	and safety in Arkansas by replacing water and sewer lines that are in	
10	disrepair and by providing new access to clean water systems to other	
11	citizens. Therefore, an emergency is declared to exist, and this act being	
12	immediately necessary for the preservation of the public peace, health, and	
13	safety shall become effective on:	
14	(1) The date of its approval by the Governor;	
15	(2) If the bill is neither approved nor vetoed by the Governor,	
16	the expiration of the period of time during which the Governor may veto the	
17	<u>bill; or</u>	
18	(3) If the bill is vetoed by the Governor and the veto is	
19	overridden, the date the last house overrides the veto.	
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21	/s/Vaught	
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