

State of Arkansas *As Engrossed: H3/11/25 H3/18/25*

95th General Assembly

A Bill

Regular Session, 2025

HOUSE BILL 1681

By: Representatives Vaught, Milligan, Achor, F. Allen, Andrews, Barker, Barnes, Barnett, Beaty Jr., Beck, Bentley, S. Berry, Breaux, Brooks, K. Brown, M. Brown, N. Burkes, R. Burkes, Joey Carr, Cavanaugh, Childress, Clowney, A. Collins, C. Cooper, Cozart, Crawford, Duffield, Eaton, Ennett, Eubanks, Evans, K. Ferguson, Furman, D. Garner, Gazaway, Gonzales, Gonzales Worthen, Gramlich, Hall, Hawk, Henley, Holcomb, Hollowell, Hudson, L. Johnson, Ladyman, Long, Maddox, Magie, McAlindon, McClure, McCullough, M. McElroy, McGrew, McGruder, McNair, S. Meeks, J. Moore, K. Moore, Nazarenko, Painter, Pearce, Puryear, J. Richardson, R. Scott Richardson, Richmond, Rose, Rye, Schulz, T. Shephard, Springer, Steele, Steimel, Torres, Tosh, Underwood, Unger, Walker, Warren, D. Whitaker, Wing, Wooldridge, Wooten, *Duke*
By: Senators J. Bryant, Hester, *J. Boyd, Caldwell, Crowell, B. Davis, Dees, J. Dotson, J. English, Flipppo, S. Flowers, Gilmore, K. Hammer, B. Johnson, M. Johnson, G. Leding, F. Love, M. McKee, R. Murdock, J. Petty, J. Scott, Stone, G. Stubblefield, C. Tucker, D. Wallace*

For An Act To Be Entitled

AN ACT REGARDING THE ARKANSAS NATURAL RESOURCES
COMMISSION; TO ESTABLISH THE WATER AND SEWER
TREATMENT FACILITIES GRANT PROGRAM; TO CREATE THE
WATER AND SEWER TREATMENT FACILITIES GRANT PROGRAM
FUND; TO TRANSFER FUNDING FROM THE SECURITIES RESERVE
FUND; TO DECLARE AN EMERGENCY; AND FOR OTHER
PURPOSES.

Subtitle

TO ESTABLISH THE WATER AND SEWER
TREATMENT FACILITIES GRANT PROGRAM; TO
TRANSFER FUNDING FROM THE SECURITIES
RESERVE FUND; AND TO DECLARE AN
EMERGENCY.

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



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 not to exceed fifty million dollars (\$50,000,000) annually to the Water
8 and Sewer Treatment Facilities Grant Program Fund; and

9 (13) After all distributions and transfers under this section,
10 less one hundred thousand dollars (\$100,000) under § 19-3-521(a)(2), for a
11 transfer by the Chief Fiscal Officer of the State on the last business day of
12 the fiscal year of the fund balance to the Catastrophic Reserve Fund.

13
14 SECTION 2. Arkansas Code § 19-6-301, concerning the enumeration of
15 special revenues, is amended to read as follows:

16 (276) Transfers from the Securities Reserve Fund under § 19-5-
17 905(a)(11) to award grants under the Water and Sewer Treatment Facilities
18 Grant Program established in § 25-43-203.

19
20 SECTION 3. Arkansas Code Title 19, Chapter 6, Subchapter 8, is amended
21 to add an additional section to read as follows:

22 19-6-845. Water and Sewer Treatment Facilities Grant Program Fund.

23 (a) There is established on the books of the Treasurer of State, the
24 Auditor of State, and the Chief Fiscal Officer of the State a special revenue
25 fund to be known as the "Water and Sewer Treatment Facilities Grant Program
26 Fund".

27 (b) The fund shall consist of:

28 (1) Moneys transferred to the fund under § 19-5-905; and

29 (2) Any other revenues as authorized by law.

30 (c) The fund shall be used by the Arkansas Natural Resources
31 Commission to award grants under the Water and Sewer Treatment Facilities
32 Grant Program established in § 25-43-203.

33
34 SECTION 4. Arkansas Code Title 25, Chapter 43, Subchapter 2, is
35 amended to add an additional section to read as follows:

36 25-43-203. Water and Sewer Treatment Facilities Grant Program.

1 (a)(1) There is created within the Arkansas Natural Resources
2 Commission the Water and Sewer Treatment Facilities Grant Program to be
3 administered by the commission.

4 (2) The commission may hire personnel necessary to carry out the
5 duties of administering the program.

6 (b) The commission shall:

7 (1) Create an application form to be submitted by eligible water
8 and sewer treatment facilities seeking a matching grant from the program;

9 (2) Devise an application process that:

10 (A) Defines the eligibility criteria for a matching grant;
11 and

12 (B) Establishes application submission and review
13 processes;

14 (3) Define a process by which grants may be awarded;

15 (4) Execute standard legal grant agreements and other
16 documentation governing the disbursement and use of grants; and

17 (5) Provide a matching grant to eligible water and sewer
18 treatment facilities for infrastructure and improvement projects that are
19 shovel-ready.

20 (c) A recipient of a grant awarded under this section shall:

21 (1) Begin the recipient's project within one (1) year of the
22 award of the grant funds; and

23 (2) Not be eligible for another grant until the awarded grant
24 has been closed out.

25 (d) Funding under the program shall be awarded as follows:

26 (1) Eighty percent (80%) shall be awarded for shovel-ready
27 projects in:

28 (A) Cities of the first class and cities of the second
29 class with a population over one thousand two hundred (1,200); or

30 (B) Rural water and rural wastewater systems serving a
31 population over one thousand two hundred (1,200); and

32 (2) Twenty percent (20%) shall be awarded in:

33 (A) Incorporated towns and cities of the second class with
34 a population of one thousand two hundred (1,200) or less; or

35 (B) Rural water and rural wastewater systems serving a
36 population of one thousand two hundred (1,200) or less.

1 (e) The commission shall promulgate rules to implement this section.

2 (f) The program under this section shall expire ten (10) years from
3 the effective date of this act.

4
5 SECTION 5. EMERGENCY CLAUSE. It is found and determined by the
6 General Assembly of the State of Arkansas that it is in the best interest of
7 the citizens of this state to provide water and sewer grant opportunities for
8 projects to keep Arkansas water systems safe and clean; and that this act is
9 immediately necessary because there is a dire need to protect public health
10 and safety in Arkansas by replacing water and sewer lines that are in
11 disrepair and by providing new access to clean water systems to other
12 citizens. Therefore, an emergency is declared to exist, and this act being
13 immediately necessary for the preservation of the public peace, health, and
14 safety shall become effective on:

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

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

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

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22 */s/Vaught*
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