

1 State of Arkansas  
2 95th General Assembly  
3 Regular Session, 2025  
4

# A Bill

HOUSE BILL 1681

5 By: Representatives Vaught, Milligan, Achor, F. Allen, Andrews, Barker, Barnes, Barnett, Beaty Jr., Beck,  
6 Bentley, S. Berry, Breaux, Brooks, K. Brown, M. Brown, N. Burkes, R. Burkes, Joey Carr, Cavenaugh,  
7 Childress, Clowney, A. Collins, C. Cooper, Cozart, Crawford, Duffield, Eaton, Ennett, Eubanks, Evans,  
8 K. Ferguson, Furman, D. Garner, Gazaway, Gonzales, Gonzales Worthen, Gramlich, Hall, Hawk, Henley,  
9 Holcomb, Hollowell, Hudson, L. Johnson, Ladyman, Long, Maddox, Magie, McAlindon, McClure,  
10 McCullough, M. McElroy, McGrew, McGruder, McNair, S. Meeks, J. Moore, K. Moore, Nazarenko,  
11 Painter, Pearce, Puryear, J. Richardson, R. Scott Richardson, Richmond, Rose, Rye, Schulz, T. Shephard,  
12 Springer, Steele, Steimel, Torres, Tosh, Underwood, Unger, Walker, Warren, D. Whitaker, Wing,  
13 Wooldridge, Wooten  
14 By: Senators J. Bryant, Hester  
15

## For An Act To Be Entitled

17 AN ACT REGARDING THE ARKANSAS NATURAL RESOURCES  
18 COMMISSION; TO ESTABLISH THE WATER AND SEWER  
19 TREATMENT FACILITIES GRANT PROGRAM; TO CREATE THE  
20 WATER AND SEWER TREATMENT FACILITIES GRANT PROGRAM  
21 FUND; TO TRANSFER FUNDING FROM THE SECURITIES RESERVE  
22 FUND; TO DECLARE AN EMERGENCY; AND FOR OTHER  
23 PURPOSES.  
24  
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## Subtitle

27 TO ESTABLISH THE WATER AND SEWER  
28 TREATMENT FACILITIES GRANT PROGRAM; TO  
29 TRANSFER FUNDING FROM THE SECURITIES  
30 RESERVE FUND; AND TO DECLARE AN  
31 EMERGENCY.  
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33 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
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35 SECTION 1. Arkansas Code § 19-5-905(a)(12), concerning the use of the  
36 Securities Reserve Fund, are amended to read as follows:



1           (12) After the transfer enumerated in subdivision (a)(10) of  
 2 this section and contingent upon available moneys in the Securities Reserve  
 3 Fund, for a transfer by the Chief Fiscal Officer of the State of fifty  
 4 million dollars (\$50,000,000) or as much as remains unobligated each fiscal  
 5 year to the Water and Sewer Treatment Facilities Grant Program Fund; and

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

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

13           (276) Transfers from the Securities Reserve Fund under § 19-5-  
 14 905(a)(11) to award grants under the Water and Sewer Treatment Facilities  
 15 Grant Program established in § 25-43-203.

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

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

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

24           (b) The fund shall consist of:

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

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

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

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

33           25-43-203. Water and Sewer Treatment Facilities Grant Program.

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

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

3           (b) The commission shall:

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

6           (2) Devise an application process that:

7           (A) Defines the eligibility criteria for a matching grant;  
8 and

9           (B) Establishes application submission and review  
10 processes;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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