ANRC Unanimously Adopts New Financial Assistance Rules Following Public Comment

John Bryant
jbryant@mwlaw.com
(501) 688.8823

Ashley Edwards
aedwards@mwlaw.com
(501) 688.8878

Clifford McLeod
cmcleod@mwlaw.com
(501) 688.8817

05/27/2026

On May 12, 2026, the Arkansas Natural Resources Commission unanimously adopted the proposed amendments to its Financial Assistance rules, completing a key step in implementing the state's new Water and Sewer Treatment Facilities Grant Program. The rules will now advance through the legislative review process before taking effect.

As we reported following the ANRC's April 2 special meeting, the commission had voted to recommend new finance rules implementing Act 812 of 2025 (H.B. 1681, codified at Ark. Code Ann. §§ 19-5-1288, 25-43-203) and Act 736 of 2025 (S.B. 420, codified at Ark. Code Ann. §§ 4-35-101 to -306, 15-5-901, 15-5-909), and to repeal the existing Drinking Water State Revolving Fund rules (15 Ark. Admin. Code Pt. 25) and the Clean Water State Revolving Fund rules (15 Ark. Admin. Code Pt. 26). Following the public comment period, which closed on May 5, 2026, the commission voted unanimously at a special meeting on May 12 to adopt the rules. The only change from the proposed text was a minor grammatical correction, changing "by" to "in" when describing entities eligible if located in a city, town, or rural water association, along with a tense agreement correction from plural to singular. No substantive changes were made. The prior versions of these rules had not been updated since 1999 and 2001.

What Happens Next in the Rulemaking Process

The adopted rules have now been sent to the Bureau of Legislative Research and will ultimately be placed on the agenda for a legislative subcommittee. Once the rules clear legislative review, they will take effect and the ANRC can begin accepting applications under the new consolidated Financial Assistance rules (15 Ark. Admin. Code Pt. 2), including applications for the Water and Sewer Treatment Facilities Grant Program.

What the New Rules Mean for Eligible Entities

For those unfamiliar with the background, Act 812 created the Water and Sewer Treatment Facilities Grant Program, which is expected to provide approximately $25 million per year in matching grants for shovel-ready water and sewer infrastructure projects, with individual awards capped at $1,000,000. Act 736 significantly broadened which entities are eligible for state water development programs by expanding the definition of "qualified corporation" under the Water Authority Act to include governmental entities, municipal authorities, investor-owned utilities, improvement districts, and rural development authorities, in addition to traditional nonprofit water corporations.

The adopted rules consolidate all of the ANRC's financial assistance programs under one unified rule, remove discontinued programs, adjust for inflation, and streamline the application process. Applicants will need to submit a project priority list application to the Department of Agriculture at least sixty days before submitting a funding application. Scoring criteria are designed to prioritize communities with demonstrable need, including those in counties that have experienced a population change of more than ten percent in the past decade and those that have not received program funding in the last two years.