

State of Arkansas
91st General Assembly
Regular Session, 2017

A Bill

HOUSE BILL 1844

By: Representative Beck

For An Act To Be Entitled

AN ACT TO AMEND THE DISTRIBUTION OF REVENUES DERIVED FROM THE SEVERANCE TAX; TO MAKE RELATED AMENDMENTS TO THE ARKANSAS CODE; AND FOR OTHER PURPOSES.

Subtitle

TO AMEND THE DISTRIBUTION OF REVENUES DERIVED FROM THE SEVERANCE TAX.

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

SECTION 1. Arkansas Code § 19-6-301(238), concerning the enumeration of special revenues, is amended to read as follows:

(238) Ninety-five percent (95%) of the severance tax collected on natural gas at the rates enacted by § 26-58-111(5) and ~~the remainder of the~~ five percent (5%) of the severance tax collected on natural gas under § ~~26-58-124(c)(1)(B)~~ 26-58-124(c)(2);

SECTION 2. Arkansas Code § 19-6-829(b), concerning the Road and Bridge Repair, Maintenance, and Grants Fund, is amended to read as follows:

(b) The fund shall consist of:

(1) Moneys collected under § 26-58-124, as designated under § ~~26-58-124(c)(1)(B)~~ 26-58-124(c)(2); and

(2) Any other revenues authorized by law.

SECTION 3. Arkansas Code § 26-58-124(c), concerning the distribution of severance taxes, is amended to read as follows:

(c) All taxes, penalties, and costs collected by the director on



natural gas shall be deposited into the State Treasury as follows:

~~(1) In accordance with the Severance Tax Agreement of 2008, five percent (5%) of the funds shall be deposited as follows:~~

~~(A)~~ The first six hundred seventy-five thousand dollars (\$675,000) collected each fiscal year shall be deposited as general revenues; and

~~(B)(i)~~ The (2)(A) Five percent (5%) of the remainder shall be deposited as special revenues into the Road and Bridge Repair, Maintenance, and Grants Fund to be used exclusively for grants to counties for damages resulting from trucks and other heavy machinery used in the extraction of natural gas.

~~(i)~~ (B) The grants awarded under subdivision ~~(e)(1)(B)(i)~~ (c)(2)(A) of this section shall be distributed to counties on a pro-rata basis based on the number of active unconventional natural gas wells located within each county; and

~~(2)~~ (3) Ninety-five percent (95%) of the ~~funds remainder~~ shall be classified as special revenues and shall be distributed as set forth in the Arkansas Highway Revenue Distribution Law, § 27-70-201 et seq.

APPROVED: 04/06/2017