

1 **State of Arkansas**  
2 **78th General Assembly**  
3 **Regular Session, 1991**

# A Bill

**HOUSE BILL**

4 **By: Representative B. G. Hendrix**

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## **For An Act To Be Entitled**

8 "AN ACT TO CLARIFY ARKANSAS LAW TO PROVIDE THAT RAW  
9 MATERIALS TO BE MANUFACTURED, PROCESSED, OR REFINED IN  
10 THIS STATE FOR SHIPMENT OUTSIDE THIS STATE AND FINISHED  
11 PRODUCTS STORED FOR SHIPMENT OUTSIDE THIS STATE GAIN NO  
12 SITUS IN THIS STATE AND SHALL NOT BE ASSESSED FOR AD  
13 VALOREM PROPERTY TAXATION IN THIS STATE; AND FOR OTHER  
14 PURPOSES."

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

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18 SECTION 1. It is the intent of this act to clarify Arkansas law to  
19 specifically indicate that raw materials brought into this state to be  
20 manufactured, processed, or refined in this state for shipment outside this  
21 state and finished products stored for shipment outside this state do not  
22 obtain situs in this state for the purpose of ad valorem property taxation.

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24 SECTION 2. Raw materials brought into this state to be manufactured,  
25 processed, or refined in this state for shipment outside this state and  
26 finished products stored for shipment outside this state shall obtain no situs  
27 in this state for the purpose of ad valorem property taxation.

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29 SECTION 3. It is hereby determined and affirmed by the General Assembly  
30 that ad valorem property taxation was never intended to apply to raw materials  
31 brought into this state to be manufactured, processed, or refined in this  
32 state for shipment outside this state or to finished products stored for  
33 shipment outside this state.

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35 SECTION 4. All provisions of this act of a general and permanent nature

1 are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code  
2 Revision Commission shall incorporate the same in the Code.

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4 SECTION 5. If any provision of this act or the application thereof to  
5 any person or circumstance is held invalid, such invalidity shall not affect  
6 other provisions or applications of the act which can be given effect without  
7 the invalid provision or application, and to this end the provisions of this  
8 act are declared to be severable.

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10 SECTION 6. All laws and parts of laws in conflict with this act are  
11 hereby repealed.

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13 SECTION 7. EMERGENCY. It is hereby determined by the General Assembly  
14 that this act clarifies Arkansas law by providing that raw materials brought  
15 into this state to be manufactured, processed, or refined in this state for  
16 shipment outside this state and finished goods stored for shipment outside  
17 this state shall obtain no situs in this state for the purpose of ad valorem  
18 property taxation; that prospective manufacturing and processing industries  
19 and commercial warehouses are confused as to ad valorem taxation of personal  
20 property in transit through Arkansas; that because of this confusion the  
21 decision to locate industries in this state may be adversely influenced to the  
22 extent that the state may lose valuable new industries; and that this act  
23 should go into effect immediately to clarify the law as soon as possible.  
24 Therefore, an emergency is hereby declared to exist and this act being  
25 necessary for the preservation of the public peace, health, and safety shall  
26 be in full force and effect from and after its passage and approval.

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