

1 State of Arkansas
2 83rd General Assembly
3 First Extraordinary Session, 2002
4

Call Item 4

A Bill

HOUSE BILL 1006

5 By: Representative Lendall
6
7

For An Act To Be Entitled

9 AN ACT TO CREATE THE ARKANSAS RAINY DAY FUND; TO
10 AMEND ARKANSAS CODE 26-58-111 TO REVISE THE RATES
11 FOR SEVERANCE TAX ON NATURAL GAS PRODUCED IN THIS
12 STATE; TO DECLARE AN EMERGENCY; AND FOR OTHER
13 PURPOSES.
14

Subtitle

15 AN ACT TO CREATE THE ARKANSAS RAINY DAY
16 FUND; TO REVISE THE RATES FOR SEVERANCE
17 TAX ON NATURAL GAS PRODUCED IN THIS
18 STATE.
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21

22 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
23

24 SECTION 1. (a) There is created on the books of the Treasurer of
25 State, the Auditor of State, and the Chief Fiscal Officer of the State a
26 special revenue fund to be known as the "Arkansas Rainy Day Fund."

27 (b) The fund shall consist of fifty percent (50%) of all revenues
28 collected under Arkansas Code 26-58-111(5) on natural gas provided in this
29 act beginning August 1, 2002.

30 (c) The fund shall be used in the event of continued economic distress
31 during the fiscal year ending June 30, 2003, and as provided by law.
32

33 SECTION 2. Arkansas Code 26-58-111(5), concerning the severance tax
34 rate on natural gas, is amended to read as follows:

35 (5) On natural gas, ~~three tenths of one cent (3/10 of 1¢) per one~~
36 ~~thousand cubic feet (1,000 cu. ft.)~~ five percent (5%) of the market value at

1 the time and point of severance;

2
3 SECTION 3. EMERGENCY CLAUSE. It is found and determined by the
4 General Assembly that additional general revenues are needed to enable the
5 state to maintain essential services of government and to meet the
6 commitments of a number of programs for new and expanded services; that
7 severance taxes on natural gas produced in this state are substantially lower
8 than severance taxes levied on natural gas produced in neighboring states;
9 and that the immediate passage of this act is necessary to enable the state
10 to gain benefits of this act. Therefore, an emergency is declared to exist
11 and this act being immediately necessary for the preservation of the public
12 peace, health and safety shall become effective on August 1, 2002.