

Stricken language would be deleted from and underlined language would be added to the law as it existed prior to this session of the General Assembly.

1 State of Arkansas  
2 84th General Assembly  
3 Regular Session, 2003

# A Bill

HOUSE BILL 2682

4  
5 By: Representative Mahony  
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## For An Act To Be Entitled

9 AN ACT TO MODIFY THE RATE OF THE SEVERANCE TAX ON  
10 NATURAL GAS; TO CREATE THE ARKANSAS HIGHER  
11 EDUCATION SCHOLARSHIP TRUST FUND; AND FOR OTHER  
12 PURPOSES.  
13

## Subtitle

14 TO MODIFY THE RATE OF THE SEVERANCE TAX  
15 ON NATURAL GAS.  
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19 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
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21 SECTION 1. Arkansas Code § 26-58-111(5), concerning the severance tax  
22 on natural gas, is amended to read as follows:

23 (5) On natural gas, ~~three tenths of one cent (3/10 of 1¢) per one~~  
24 ~~thousand cubic feet (1,000 cu. ft.)~~ six percent (6%) of the wellhead price;  
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26 SECTION 2. Arkansas Code Title 19, Chapter 6, Subchapter 4 is amended  
27 to add an additional section to read as follows:

28 19-6-487. Arkansas Higher Education Scholarship Trust Fund.

29 (a) There is created on the books of the Treasurer of State, Auditor  
30 of State, and Chief Fiscal Officer of the State a special revenue fund to be  
31 known as the "Arkansas Higher Education Scholarship Trust Fund".

32 (b)(1) All moneys collected under § 26-58-111(5) shall be deposited  
33 into the State Treasury to the credit of the fund as special revenues.

34 (2) The fund shall also consist of any other revenues as may be  
35 authorized by law.

36 (c) The fund shall be used by the Department of Higher Education



1 exclusively to provide student assistance grants and scholarships to fund the  
 2 following:

3 (1) The Arkansas Academic Challenge Scholarship Program created  
 4 under § 6-82-1003;

5 (2) The Arkansas Governor’s Scholars Program created under § 6-  
 6 82-303;

7 (3) The program that provides residents of the State of Arkansas  
 8 who are students with academic ability and financial need under § 6-82-203;

9 (4) Minority Teacher Scholars Program continued under § 6-81-  
 10 131;

11 (5) The National Guard Tuition Incentive Program created under §  
 12 12-62-603;

13 (6) Tuition adjustment under § 6-60-303;

14 (7) Southern Regional Education Board Minority Doctoral Scholars  
 15 as continued under § 6-81-131(a)(4);

16 (8) Critical Needs Minority Teacher Scholarship Program created  
 17 under § 6-82-1502;

18 (9) Teacher and Administrator Enhancement and Retraining Grant  
 19 Program created under § 6-81-602;

20 (10) Dependents of law enforcement officer scholarships under §  
 21 6-82-503;

22 (11) Emergency Secondary Education Loan Program under § 6-81-  
 23 502;

24 (12) Minority Masters Fellows Program as continued under § 6-81-  
 25 131(a)(3);

26 (13) Faculty/Administrator Development Fellows Program created  
 27 under § 6-63-402;

28 (14) Second Effort Scholarship Program created under § 6-82-  
 29 1101; and

30 (15) Tuition waivers under § 6-82-601 for dependents of a  
 31 prisoner of war or a person declared to be missing in action or killed in  
 32 action.

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 34 SECTION 3. EMERGENCY CLAUSE. It is found and determined by the  
 35 General Assembly of the State of Arkansas that a decline in the economy  
 36 caused the reduction in revenues for the state which, in turn, caused a

1 budget shortfall in the funding of the Department of Higher Education's  
2 scholarship and grant programs under the revenue stabilization law; that the  
3 budget shortfall has caused many scholarship and grant programs to go  
4 unfunded; and that this act is immediately necessary to modify the rate of  
5 the natural gas tax to provide special revenue to secure that future higher  
6 education scholarship or grant programs are funded, and to continue the  
7 effort to produce an educated work force for the state to attract and retain  
8 business and industry. Therefore, an emergency is declared to exist and this  
9 act being immediately necessary for the preservation of the public peace,  
10 health, and safety shall become effective on:

- 11 (1) The date of its approval by the Governor;
- 12 (2) If the bill is neither approved nor vetoed by the Governor,  
13 the expiration of the period of time during which the Governor may veto the  
14 bill; or
- 15 (3) If the bill is vetoed by the Governor and the veto is  
16 overridden, the date the last house overrides the veto.

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