

1 State of Arkansas
2 90th General Assembly
3 Regular Session, 2015
4

As Engrossed: H3/4/15
A Bill

HOUSE BILL 1436

5 By: Representative G. Hodges
6

7 **For An Act To Be Entitled**

8 AN ACT TO AMEND THE DISTRIBUTION AND USE OF SEVERANCE
9 TAXES; TO CREATE THE ROAD AND BRIDGE REPAIR,
10 MAINTENANCE, AND GRANTS FUND; TO DECLARE AN
11 EMERGENCY; AND FOR OTHER PURPOSES.
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14 **Subtitle**

15 TO AMEND THE DISTRIBUTION AND USE OF
16 SEVERANCE TAXES; TO CREATE THE ROAD AND
17 BRIDGE REPAIR, MAINTENANCE, AND GRANTS
18 FUND; AND TO DECLARE AN EMERGENCY.
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21 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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23 SECTION 1. Arkansas Code § 19-6-201(57), concerning the enumeration of
24 general revenues, is amended to read as follows:

25 (57) ~~Five~~ The first six hundred seventy-five thousand dollars
26 (\$675,000) of the five percent (5%) of the severance tax collected on natural
27 gas at the rates enacted by § 26-58-111(5);
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29 SECTION 2. Arkansas Code § 19-6-301(238), concerning the enumeration
30 of special revenues, is amended to read as follows:

31 (238) Ninety-five percent (95%) of the severance tax collected
32 on natural gas at the rates enacted by § 26-58-111(5) and the remainder of
33 the five percent (5%) of the severance tax collected on natural gas under §
34 26-58-124(c)(1)(B);
35

36 SECTION 3. Arkansas Code Title 19, Chapter 6, Subchapter 8, is amended



1 to add an additional section to read as follows:

2 19-6-829. Road and Bridge Repair, Maintenance, and Grants Fund.

3 (a) There is created on the books of the Treasurer of State, the
 4 Auditor of State, and the Chief Fiscal Officer of the State a special revenue
 5 fund to be known as the "Road and Bridge Repair, Maintenance, and Grants
 6 Fund".

7 (b) The fund shall consist of:

8 (1) Moneys collected under § 26-58-124, as designated under §
 9 26-58-124(c)(1)(B); and

10 (2) Any other revenues authorized by law.

11 (c) The fund shall be used for the maintenance, operation, and
 12 improvement required by the Arkansas State Highway and Transportation
 13 Department in carrying out the functions, powers, and duties stated in
 14 Arkansas Constitution, Amendment 42, and §§ 27-65-102 – 27-65-107, 27-65-110,
 15 27-65-122, and 27-65-124, and the other laws of this state prescribing the
 16 powers and duties of the department and the State Highway Commission.

17
 18 SECTION 4. Arkansas Code § 26-58-124(c), concerning the distribution
 19 of severance taxes, is amended to read as follows:

20 (c) All taxes, penalties, and costs collected by the director on
 21 natural gas shall be deposited into the State Treasury as follows:

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

25 (A) The first six hundred seventy-five thousand dollars
 26 (\$675,000) collected each fiscal year shall be deposited as general revenues;
 27 and

28 (B)(i) The remainder shall be deposited as special
 29 revenues into the Road and Bridge Repair, Maintenance, and Grants Fund to be
 30 used exclusively for grants to counties for damages resulting from trucks and
 31 other heavy machinery used in the extraction of natural gas.

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

36 (2) Ninety-five percent (95%) of the funds shall be classified

1 as special revenues and shall be distributed as set forth in the Arkansas
2 Highway Revenue Distribution Law, § 27-70-201 et seq.

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4 SECTION 5. EMERGENCY CLAUSE. It is found and determined by the
5 General Assembly of the State of Arkansas that Arkansas bridges and roads are
6 in need of repair and proper maintenance; that the repair and proper
7 maintenance of Arkansas bridges and roads are necessary for the preservation
8 of the public peace, health, and safety; that increased funding is essential
9 to the repair and proper maintenance of Arkansas bridges and roads; and that
10 this act is necessary because without this increased funding, the repair and
11 proper maintenance of Arkansas bridges and roads may not be performed.
12 Therefore, an emergency is declared to exist, and this act being necessary
13 for the preservation of the public peace, health, and safety shall become
14 effective on July 1, 2015.

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16 */s/G. Hodges*

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19 **APPROVED: 03/18/2015**
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