

1 **State of Arkansas**  
2 **78th General Assembly**  
3 **Regular Session, 1991**  
4 **By: Representative Willems**

# A Bill

**HOUSE BILL**

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

8 "AN ACT TO PROVIDE A SUBSIDY TO ARKANSAS ETHANOL PRODUCERS  
9 IN ORDER TO ENCOURAGE THE PRODUCTION OF ALTERNATIVE FUELS;  
10 AND FOR OTHER PURPOSES."

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

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14 SECTION 1. The Director of the Department of Finance and Administration  
15 shall, at least quarterly, make payments to Arkansas producers of ethanol,  
16 from monies appropriated therefor, in an amount equal to twenty cents (\$.20)  
17 for each gallon of two hundred (200) proof ethanol produced by the producer.  
18 The amount produced shall be as determined by the Federal Bureau of Alcohol,  
19 Tobacco and Firearms from reports submitted to that agency by the producer.  
20 If the producer produces at a proof level below two hundred (200) proof, the  
21 subsidy shall be reduced in a proportionate amount, for example sixteen cents  
22 (\$.16) per gallon for one hundred and sixty (160) proof ethanol.

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24 SECTION 2. Arkansas Code 26-52-702(1) is hereby amended to read as  
25 follows:

26 "(1) 'Manufacturer' or 'manufacturing operation' means any person  
27 engaged in a business classified as manufacturing in the Federal Standard  
28 Industrial Classification Codes 20-39 who has been in continuous operation in  
29 Arkansas for at least two (2) years prior to the initial application to the  
30 Director of the Arkansas Industrial Development Commission for the credit  
31 granted by this subchapter and who has obtained a direct-pay sales and use tax  
32 permit from the Revenue Division of the Department of Finance and  
33 Administration under the provisions of § 26-52-509. Provided however, that an  
34 ethanol fuels production facility shall not have to meet the requirement of  
35 being in continuous operation for at least two (2) years in order to take

1 advantage of the credit granted by this subchapter;"

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SECTION 3. The Director of the Department of Finance and Administration shall promulgate regulations to implement this Act.

SECTION 4. All provisions of this Act of a general and permanent nature are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code Revision Commission shall incorporate the same in the Code.

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

SECTION 5. All laws and parts of laws in conflict with this Act are hereby repealed.

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