

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.

State of Arkansas
83rd General Assembly
Regular Session, 2001

As Engrossed: S3/14/01

A Bill

SENATE BILL 830

By: Senator Mahony
By: Representatives Lowery, M. Smith

For An Act To Be Entitled

AN ACT TO INCREASE THE ASSESSMENT FOR NATURAL GAS
PRODUCED AND SAVED; TO INCREASE THE ASSESSMENT
FOR BRINE PRODUCED AND SAVED OR SOLD FOR PURPOSES
OF THE EXTRACTION OF CHEMICAL SUBSTANCES; TO
REQUIRE REVIEW BY THE LEGISLATIVE COUNCIL *OR* THE
JOINT BUDGET COMMITTEE OF PROPOSED INCREASES IN
THE BRINE ASSESSMENT; AND FOR OTHER PURPOSES.

Subtitle

AN ACT TO INCREASE THE ASSESSMENT FOR
PRODUCED AND SAVED NATURAL GAS AND BRINE
AND TO REQUIRE REVIEW BY LEGISLATIVE
COMMITTEES.

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

SECTION 1. Arkansas Code 15-71-107 is amended to read as follows:
15-71-107. Control or regulation of oil and gas production -
Assessment on production - Use of money - Increase in assessment.

(a) All common sources of supply of crude oil discovered after January
1, 1937, if so found necessary by the commission, shall have the production
of oil therefrom controlled or regulated in accordance with the provisions of
this act. The commission is authorized to assess from time to time against
each barrel of oil produced and saved a charge not to exceed ~~twenty-five (25)~~
fifty (50) mills on each barrel. The charge which may be assessed hereunder
shall apply to each barrel of oil produced, including that from common

1 sources of supply discovered prior to January 1, 1937. All moneys so
2 collected shall be used solely to pay the expenses and other costs in
3 connection with the administration of this law.

4 (b) All common sources of supply of natural gas discovered after
5 January 1, 1937, if so found necessary by the commission, shall have the
6 production of gas therefrom controlled or regulated in accordance with the
7 provisions of this act. The commission is authorized to assess from time to
8 time against each one thousand (1,000) cubic feet of gas produced and saved
9 from a gas well a charge not to exceed ~~five (5)~~ ten (10) mills on each one
10 thousand (1,000) cubic feet of gas. The charge which may be assessed
11 hereunder shall apply to each one thousand (1,000) cubic feet of gas
12 produced, including that from common sources of supply discovered prior to
13 January 1, 1937. All moneys so collected shall be used solely to pay the
14 expenses and other costs in connection with the administration of this law.

15 (c) Before the Oil and Gas Commission implements the collection
16 process of any increase in the millage assessment that may be authorized by
17 law on each barrel of oil or on each thousand cubic feet (1,000 cf) of gas,
18 the commission shall first seek review from the Arkansas Legislative Council
19 or the Joint Budget Committee.

20
21 SECTION 2. Arkansas Code 15-76-306(d), concerning the authority of the
22 Oil and Gas Commission, is amended to read as follows:

23 (d) The commission is authorized to assess each producer of brine a
24 charge not to exceed ~~twenty five cents (25¢)~~ fifty cents (50¢) on each one
25 thousand (1,000) barrels, each of which contains forty-two (42) United States
26 gallons, of brine produced and saved or sold for purposes of the extraction
27 of chemical substances therefrom. All moneys so collected shall be deposited
28 into the Oil and Gas Commission Fund and used solely to pay the expenses and
29 other costs of the commission.

30
31 SECTION 3. Arkansas Code 15-76-306, concerning the authority of the
32 Oil and Gas Commission, is amended by adding the following additional
33 subsection:

34 (e) Before the commission implements the collection process of any
35 increase in the millage assessments that may be authorized by law on each one
36 thousand (1,000) barrels of brine produced and saved or sold for purposes of

chemical extraction, the commission shall first seek review from the
Legislative Council or the Joint Budget Committee.

/s/ Mahony