

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 86th General Assembly
3 Regular Session, 2007

A Bill

HOUSE BILL 2291

4
5 By: Representative Harrelson
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For An Act To Be Entitled

8
9 AN ACT TO CREATE THE LANDFILL METHANE DEVELOPMENT
10 ACT; AND FOR OTHER PURPOSES.
11

Subtitle

12
13 THE LANDFILL METHANE DEVELOPMENT ACT.
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16 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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18 SECTION 1. Arkansas Code Title 8, Chapter 6 is amended to add an
19 additional subchapter to read as follows:

20 8-6-2001. Title.

21 This subchapter shall be known and may be cited as the "Landfill
22 Methane Development Act".
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24 8-6-2002. Findings – Purpose

25 (a) The General Assembly finds that:

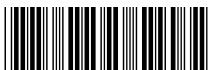
26 (1) Providing dependable and economical sources of energy is
27 vital to the health, welfare, and economic well-being of the citizens and
28 residents of this state and that one of the primary sources of energy in this
29 state is natural gas;

30 (2) The primary constituent of natural gas is methane;

31 (3) Methane is generated by the natural decomposition of
32 materials deposited in solid waste landfills, but the methane may be
33 extracted, treated, and sold as a substitute for natural gas;

34 (4) If not used as a natural gas substitute or other energy or
35 commercial use, the landfill methane may constitute an air pollutant; and

36 (5) In certain instances under state and federal environmental



1 laws the landfill methane must be collected and destroyed and the commercial
 2 value of the landfill methane would then be wasted.

3 (b) The purpose of this subchapter is to:

4 (1) Authorize any person to finance, acquire, own, operate,
 5 lease and dispose of rights, titles, and interest of every kind and nature in
 6 facilities to produce and treat methane produced from landfill properties
 7 located within this state as a substitute for natural gas;

8 (2) Allow any pipeline corporations in this state to transport
 9 landfill methane gas either alone or mixed with natural gas; and

10 (3) Authorize any person to contract for the purchase of
 11 supplies of landfill methane useable in lieu of natural gas, and transport
 12 the landfill methane by pipeline from any supplier located inside or outside
 13 the state either alone or mixed with natural gas.

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 15 8-6-2003. Definitions.

16 As used in this subchapter:

17 (1) "Landfill" means all landfills permitted under the Arkansas
 18 Solid Waste Management Act, § 8-6-201 et seq., except those landfills where a
 19 private industry bears the expense of operating and maintaining the landfill
 20 solely for the disposal of wastes generated by the industry or wastes of a
 21 similar kind or character;

22 (2)(A) "Landfill methane" is the methane gas constituent of
 23 naturally occurring emissions in gaseous form emanating from any landfill,
 24 whether the landfill is in current operation accepting additional fill
 25 material or is closed and not accepting additional fill material, and whether
 26 or not the landfill has or is required to have a collection system for the
 27 collection of landfill gas including the landfill methane component of the
 28 landfill.

29 (B) "Landfill methane" includes without limitation the
 30 methane component of landfill gas both before and after the methane component
 31 is extracted from the landfill gas;

32 (3) "Landfill methane facility" means a facility for gathering,
 33 extracting, purifying, dehydrating, or otherwise treating landfill methane;
 34 and

35 (4) "Person" means any person, firm, corporation, or other legal
 36 entity, including without limitation the state, a county, or a municipality.

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8-6-2004. Landfill methane facilities – Operations and sales.

(a) Any person, with the consent of the owner of a landfill where landfill methane may be produced, and in compliance with all applicable laws, may construct and operate a landfill methane facility to prepare the landfill methane for transportation and sale to any person for use as a substitute for natural gas.

(b) A person that constructs or operates a landfill methane facility or transports or sells landfill methane produced or treated in a landfill methane facility to a person is not engaged in the retail distribution of natural gas regardless of the extent of operations of the landfill methane facility, the transportation, or sale of landfill methane, a whether the landfill methane is combined after production with natural gas for transportation or sale.

8-6-2005. Landfill methane facilities – Prohibition on certification and economic regulation.

(a) A person desiring to construct or operate a landfill methane facility shall not be required to obtain a certificate for the construction or operation of the landfill methane facility.

(b) Neither the rates and charges between the parties for construction and operation of a landfill methane facility nor the sales price of a landfill methane produced or treated shall be subject to economic regulation by any state agency.

(c) However, the construction and operation of a landfill methane facility is subject to all other applicable laws, including without limitation sales and uses taxes and income taxes.

8-6-2006. Pipeline transportation of landfill methane – Regulation.

(a) The rates and charges for transportation by pipeline of landfill methane, either alone or in combination with natural gas, and the construction of facilities for the transportation by pipeline of landfill methane whether alone or in combination with natural gas, shall be subject to regulation to the same extent and by the same state agencies as the rates and charges, and the construction of facilities for, pipeline transportation of

1 natural gas.

2 (b) A person that is exempt from regulation in the transportation of
3 natural gas is not subject to regulation by the transportation of landfill
4 methane either alone or in combination with natural gas.

5 (c) A person is not required to transport landfill methane by pipeline
6 in combination with natural gas if the landfill methane tendered for
7 transportation does not meet quality specifications reasonably required by
8 the person for pipeline transportation of natural gas.

9 (c) Landfill methane may be transported by a pipeline corporation
10 located wholly in this state without regard to where the landfill methane may
11 was produced or extracted or is to be delivered within the state and without
12 regard to the size, classification, or nature of any customer purchasing or
13 receiving the landfill methane.

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15 8-6-2007. Tax credit for landfill methane facility.

16 (a) There is allowed a credit against the income tax imposed by the
17 Income Tax Act of 1929, in an amount as determined in subsection (b) of this
18 section for any Arkansas taxpayer engaged in the business of producing
19 landfill methane for the cost of the following if used in the production of
20 landfill methane:

21 (1) Buildings;

22 (2) Equipment; and

23 (3) Purchasing, licensing, or protecting intellectual property.

24 (b) The amount of the credit allowed shall be equal to thirty percent
25 (30%) of the cost of buildings, equipment, and licenses for intellectual
26 property necessary to manufacture landfill methane.

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28 8-6-2008. Subchapter not mandatory.

29 This subchapter does not require any natural gas local distribution
30 system to purchase or transport any landfill methane gas.

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32 8-6-2009. Construction.

33 This subchapter shall be liberally construed to ensure the continued
34 availability of natural gas or substitutes for natural gas at reasonable
35 rates to the citizens of this state.

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