

1 State of Arkansas
2 88th General Assembly
3 Regular Session, 2011
4

A Bill

HOUSE BILL 2081

5 By: Representative Johnston
6

For An Act To Be Entitled

8 AN ACT TO CREATE THE HIGHWAY SEVERANCE TAX
9 DISTRIBUTION FUND TO ENSURE THAT THE AFFECTED
10 COUNTIES RECEIVE ADEQUATE FUNDING TO REPAIR HIGHWAYS,
11 ROADS, AND STREETS DAMAGED BY OIL AND GAS PRODUCTION;
12 AND FOR OTHER PURPOSES.
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Subtitle

15 TO CREATE THE HIGHWAY SEVERANCE TAX
16 DISTRIBUTION FUND TO ENSURE THAT THE
17 AFFECTED COUNTIES RECEIVE ADEQUATE
18 FUNDING TO REPAIR HIGHWAYS, ROADS, AND
19 STREETS DAMAGED BY OIL AND GAS
20 PRODUCTION.
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24 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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26 SECTION 1. Arkansas Code § 27-70-202(a), concerning the definition of
27 "highway revenues" is amended to read as follows:

28 (a) As used in this subchapter, unless the context otherwise requires,
29 "highway revenues" means and includes the following special revenues:

30 (1) Fees for the registration and licensing of motor vehicles,
31 levied and collected under §§ 27-14-305, 27-14-601, 27-14-603, 27-14-605, 27-
32 14-702, 27-14-704, 27-14-709, 27-14-716, 27-14-717, 27-14-914, 27-14-915, §§
33 27-14-501 et seq., 27-14-1101 et seq., 27-14-1201 et seq., 27-14-1301 et
34 seq., 27-14-1401 et seq., 27-14-1501 et seq., 27-14-1801 et seq., 27-14-1901
35 et seq., and 27-14-21 et seq., and § 27-15-101 et seq., except motor vehicle
36 in-transit taxes and drive-out tag fees levied, respectively, under §§ 27-14-



1805 and 27-14-2104; and

(2) Taxes levied and collected under the Motor Fuel Tax Law, § 26-55-201 et seq., and the Special Motor Fuels Tax Law, § 26-56-101 et seq., commonly referred to, and denominated by the Director of the Department of Finance and Administration for tax distribution purposes, as the gasoline tax; ~~and~~

~~(3) Ninety five percent (95%) of the severance tax levied and collected on natural gas under § 26-58-111(5).~~

SECTION 2. Arkansas Code Title 19, Chapter 6, Subchapter 8 is amended to add an additional section to read as follows:

19-6-819. Highway Severance Tax Distribution Fund.

(a) There is created on the books of the Treasurer of State, the Auditor of State, and the Chief Fiscal Officer of the State a special revenue fund to be known as the "Highway Severance Tax Distribution Fund".

(b)(1) Ninety-five percent (95%) of the severance tax levied and collected on natural gas under § 26-58-111(5) shall be deposited into the State Treasury to the credit of the fund as special revenue for each county in which the funds collected are derived as provided under subsection (c) of this section.

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

(c)(1) The Chief Fiscal Officer of the State shall determine the amount of revenue that was collected from each county in the state under § 26-58-111(5) for each month.

(2) The Chief Fiscal Officer of the State shall provide the information under subdivision (c)(1) of this section to the Treasurer of State.

(3) After receiving the information from the Chief Fiscal Officer of the State, the Treasurer of State shall deposit the revenue into the appropriate county's account in the fund on a monthly basis.

(4) The Arkansas State Highway and Transportation Department shall use exclusively the funds in each county's account to repair and maintain highways, roads, and streets that were damaged by oil and gas production in that county.