

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

As Engrossed: S3/17/15

# A Bill

SENATE BILL 833

5 By: Senator Maloch  
6

## 7 For An Act To Be Entitled

8 AN ACT TO AMEND THE VALUATION PROCEDURES USED FOR  
9 PURPOSES OF AD VALOREM TAXES; TO PROVIDE A VALUATION  
10 METHOD FOR NATURAL GAS PIPING AND EQUIPMENT USED IN A  
11 NATURAL GAS PRODUCTION; AND FOR OTHER PURPOSES.  
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### 14 Subtitle

15 TO AMEND THE VALUATION PROCEDURES USED  
16 FOR PURPOSES OF AD VALOREM TAXES; AND TO  
17 PROVIDE A VALUATION METHOD FOR NATURAL  
18 GAS PIPING AND EQUIPMENT USED IN A  
19 NATURAL GAS PRODUCTION.  
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22 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
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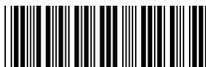
24 *SECTION 1. Arkansas Code § 26-26-1202(c), concerning the valuation*  
25 *procedures used for purposes of ad valorem taxation, is amended to add*  
26 *additional subdivisions to read as follows:*

27 *(3) Piping and equipment located downstream of the inlet side of*  
28 *the first meter measuring gas at the site of a natural gas production and*  
29 *upstream of the point of custody transfer shall be valued at the greater of:*

30 *(A) The owner's original cost, less total depreciation*  
31 *calculated using a twenty-year straight line depreciation schedule; or*

32 *(B) Twenty-five percent (25%) of the owner's original*  
33 *cost.*

34 *(4) Piping and equipment for a marginal gas well, as defined in*  
35 *§ 26-58-101, located downstream of the inlet side of the first meter*  
36 *measuring gas at the site of a natural gas production and upstream of the*



1 point of custody transfer shall be valued at twenty-five percent (25%) of the  
2 greater of:

3 (A) The owner's original cost, less total depreciation  
4 calculated using a twenty-year straight line depreciation schedule; or

5 (B) Twenty-five percent (25%) of the owner's original  
6 cost.

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8 SECTION 2. EFFECTIVE DATE. This act is effective for assessment years  
9 beginning on or after January 1, 2015.

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11 /s/Maloch  
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