

VAN BUREN COUNTY QUORUM COURT

RESOLUTION NO. 2012-10

BE IT RESOLVED BY THE QUORUM COURT OF THE COUNTY OF VAN BUREN, STATE OF ARKANSAS, A RESOLUTION TO BE ENTITLED:

A RESOLUTION OPPOSING THE PASSAGE OF THE NATURAL GAS SEVERANCE TAX ACT OF 2012.

WHEREAS: The natural gas industry has created a direct payroll job for at least 250 Van Buren County residents and at least 1,000 Van Buren County residents has in-direct payroll jobs from gas related vendors; and

WHEREAS: The natural gas industry has had direct payroll of over thirty million dollars over the past five (5) years and around ten million dollars in 2011; and

WHEREAS: The natural gas royalty payments for Van Buren County have been approximately 350 million dollars in the past four (4) years and over 125 million dollars in 2011; and

WHEREAS: The amount for road repair and dust control by the natural gas industry for the past five (5) years have been \$5,800,000.00 and approximately \$3,000,000.00 in 2011; and

WHEREAS: The property taxes paid by the natural gas industry directly to Van Buren County in the past five (5) years were \$18,311,000.00 and \$8,692,000.00 in 2011; and

WHEREAS: The natural gas industry has created thousands of jobs in the Fayetteville Shale Play Counties and over-all Arkansas communities. The jobs generally pay significantly higher wages and salaries than the state average; and

WHEREAS: The development has had a tremendous impact on the over-all economy of Arkansas during the past five (5) years, during which a nation-wide recession was occurring; and

WHEREAS: The natural gas industry, the Governor and the General Assembly agreed to the present severance tax structure in 2008 for incentive to bring in the natural gas industry. The present severance tax has brought in \$150 million revenue to Arkansas since March 2009; and

WHEREAS: Arkansas' current natural gas severance is similar to those in surrounding states; and

WHEREAS; 98% of the natural gas used in the United States is produced in North America; and

WHEREAS: Natural gas is a clean burning energy source with 20% to 30% reduction on CO2 (carbon dioxide), 70% to 90% in CO (carbon oxide), 75% to 95% in NOX (nitrous oxide), 90% in Particulate Matter, and 89% in VOC (volatile organic content), compared to gasoline or diesel; and

WHEREAS: the natural gas commodity price is at a decade low of \$2.00 per MCF; and

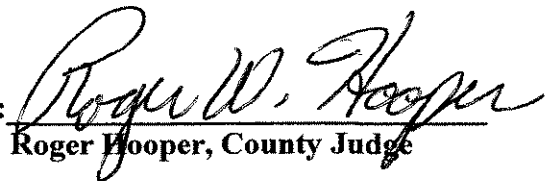
WHEREAS: This proposed 7% flat severance tax would be among the highest in the United States and would threaten Arkansas' ability to compete for natural gas drilling capital and resulting in job loss and economic impact; and

WHEREAS: 50% of the United States oil needs are supplied by foreign Countries.

NOW, THEREFORE, BE IT HEREBY RESOLVED BY THE QUORUM COURT OF VAN BUREN COUNTY, ARKANSAS, THAT IT OPPOSES PASSAGE OF THE NATURAL GAS SEVERANCE TAX OF 2012.

DATED THIS 17TH DAY OF MAY, 2012.

APPROVED:


Roger Hooper, County Judge

ATTEST:


Ester Bass, County Clerk