



City of Conway, Arkansas
Resolution No. R-12-16

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

WHEREAS, the natural gas industry in Arkansas has created thousands of jobs that pay significantly higher salaries than the state average; and

WHEREAS, the Conway Development Corporation reports that over 2,000 of these jobs are in Faulkner County and the City of Conway; and

WHEREAS, the development of the natural gas industry has had a tremendous positive impact on the economy of Arkansas, Faulkner County, and the City of Conway in recent years; and

WHEREAS, the natural gas severance tax rate in Arkansas was increased dramatically in 2008 and those tax collections are up approximately 4,000%; and

WHEREAS, Arkansas's current natural gas severance tax rate is comparable to those of surrounding states; and

WHEREAS, the Natural Gas Severance Tax Act of 2012 proposes a 7% flat severance tax which would be among the highest in the country; and

WHEREAS, further increases in taxes on the natural gas industry would threaten Arkansas's ability to compete for natural gas drilling capital and the resulting jobs and economic impact,

NOW, THEREFORE, BE IT HEREBY RESOLVED that the Mayor and City Council of Conway, Arkansas opposes passage of the Natural Gas Severance Tax Act of 2012.

ADOPTED this 24th day of April, 2012.

Approved:

Attest:

Mayor Tab Townsell

Michael O. Garrett
City Clerk/Treasurer

Sponsor:

Mark Vaught
Alderman, Ward 2, Position 1