

Act 340 of the 1989 Regular Session.

Act 340

HB1058

By: Representatives J. Miller, Mahony and Dietz

"AN ACT TO AUTHORIZE THE ARKANSAS REAL ESTATE COMMISSION TO ESTABLISH A VOLUNTARY PROGRAM FOR THE PAYMENT OF INTEREST ON REAL ESTATE BROKERS' TRUST ACCOUNTS; TO PROVIDE FOR THE PAYMENT OF SUCH INTEREST TO AN ARKANSAS NONPROFIT CORPORATION; TO ESTABLISH THE PURPOSES FOR THE EXPENDITURE OF SUCH FUNDS; AND FOR OTHER PURPOSES."

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

SECTION 1. (a) The Arkansas Real Estate Commission is hereby authorized and empowered, subject to the following restrictions and limitations, to establish a program authorizing and permitting the collection of interest on real estate brokers' trust accounts and the disbursement of such interest by the depository institutions involved to an Arkansas nonprofit corporation for use for such tax exempt purposes as hereinafter set forth.

(b) The recipient of the funds generated by such program shall be such Arkansas nonprofit corporation as the Arkansas Real Estate Commission shall designate. The corporation shall be tax exempt as defined by Section 501(c)(3) of the Internal Revenue Code. Such corporation shall be governed by a board of directors consisting of not fewer than five (5) nor more than fifteen (15) members. At least sixty percent of the total number of directors shall be appointed by the Arkansas Real Estate Commission and the remainder by the Arkansas Realtors Association.

(c) Participation in the program shall be completely voluntary with each broker rather than mandatory.

(d) The funds generated by the program shall be used for economic development, research, education and such other public service purposes as may be determined by the recipient corporation specified in this section.

(e) All real estate brokers participating in this program shall post a notice at least four inches by seven inches (4" x 7") stating that they participate in the interest on Real Estate Brokers' Trust Account Program. Said notice shall be displayed prominently and shall contain information concerning the purposes for which the interest accumulating on the account shall be used and shall state: "If funds belong to you are deposited in this firm's trust account, any interest earned therefrom will be forwarded by the depository bank to a non-profit organization who will dispense the funds to provide for economic development, research, education and such other public service purposes as may be determined by the recipient corporation selected by the Real Estate Commission."

SECTION 2. The Arkansas Real Estate Commission may promulgate such regulations as it deems necessary for the implementation of this Act.

SECTION 3. All provisions of this Act of a general and permanent nature are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code Revision Commission shall incorporate the same in the Code.

SECTION 4. All laws and parts of laws in conflict with this Act are hereby repealed.

APPROVED: March 6, 1989

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