

Department of Finance and Administration

Legislative Impact Statement

Bill: HB1940

Bill Subtitle: TO AMEND THE LAWS CONCERNING THE RECORDATION OF DEEDS FOR PURPOSES OF THE REAL PROPERTY TRANSFER TAX.

Basic Change :

Sponsor: Rep. Dalby

HB1940 amends Arkansas law concerning the real property transfer tax to allow a deed to be recorded by the County Clerk without an affidavit of compliance form attached to the deed or a receipt showing proof of tax paid attached to the deed if the transaction is exempt from the payment of the real property transfer tax. Provided, however, the deed must contain the statement, "This instrument is exempt from the real property transfer tax" or a substantially similar statement. The instrument must be signed by the grantee or his or her agent, and the grantee's address shall be clearly shown on the instrument.

Revenue Impact :

None.

Taxpayer Impact :

Parties to transactions involving the sale and transfer of real property.

Resources Required :

None.

Time Required :

Adequate time is allowed for implementation.

Procedural Changes :

DFA's website, forms and instructions for completing the affidavit of compliance will need to be updated.

Other Comments :

None.

Legal Analysis :

This bill amends Ark. Code Ann. § 26-60-110 to add a paragraph stating that an affidavit or compliance form from DFA or a receipt showing proof of tax paid is not required to be attached to an instrument that is exempt from the payment of the real property transfer tax if the instrument contains a statement which is acknowledged as required in this section, and states, "This instrument is exempt from the real property transfer tax."