

Commissioner of State Lands

State of Arkansas

Tommy Land, Commissioner

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Rules ~~2021~~2023 Edition

Title I: General Information

SUBTITLE A | AUTHORITY AND PURPOSE

The authority for these Rules (“Rules”) is power given to the Commissioner of State Lands for the State of Arkansas by Act 626 of 1983, as amended, and other applicable laws.

The counties in Arkansas certify tax-delinquent ~~property parcels~~ to the Commissioner of State Lands (the “Commissioner”). Upon certification, legal title to the ~~property parcels~~ vests in the State of Arkansas in the care of the Commissioner, although the Commissioner does not take physical possession of it. During the time that ~~property is parcels are~~ held by the State, the Commissioner does not enter upon the property and has no duty to maintain it.

The Commissioner is charged with either collecting taxes on the ~~properties-parcels~~ or, if the delinquent taxes are not paid in full before the date set for sale, selling the ~~property parcels~~. The Commissioner offers the ~~property parcels~~ for sale at a public auction, ~~that is usually held in the county in which the property is located~~. If the ~~property-parcel~~ does not sell, then the Commissioner offers the ~~property-parcel~~ for sale at the ongoing Unsold-Property Auctions beginning thirty (30) calendar days after the date of the public auction.

The purpose of these Rules is to carry out the provisions of Act 626 of 1983, as amended. Pursuant to section 7 of Act 626 of 1983, as amended, these rules shall have the full force and effect of law.

SUBTITLE B | SCOPE

These Rules, having been promulgated and adopted by the Commissioner, shall be in full force and effect until they are amended or repealed pursuant to law. All previous Rules adopted and published by the Commissioner are hereby superseded and repealed insofar as they may be different from or in conflict with the Rules herein.

Except where specifically noted, these Rules apply to all categories of sales held by the Commissioner. Rules not applying to all categories of sales will be found under one of the more specific Titles that follow. These Rules should be regarded as being supplementary to, and not in replacement of and in compliance with, the laws of this State relating to the matters covered by these Rules.

Nothing in these Rules shall apply to the sale of tax-delinquent ~~land parcels~~ that ~~has have~~ been or will be certified to the Commissioner for tax years prior to 1978.

SUBTITLE C | SEVERABILITY

It is intended that these Rules are severable and that if any of these Rules, or any parts thereof, shall be declared invalid, all other unaffected Rules, or parts thereof, shall remain in full force and effect.

SUBTITLE D | DEFINITIONS

The following definitions are applicable to all Rules:

Bid- An offer to purchase a property parcel made by a prospective buyer, whether in person, ~~via mail,~~ or online.

Business Day- A Monday, Tuesday, Wednesday, Thursday, or Friday that is not otherwise observed as an official state holiday.

~~**Certificate of Purchase**- A receipt that verifies that a person or entity is the successful bidder and has tendered of payment in an acceptable form. A Certificate of Purchase does not convey title or guarantee a Limited Warranty Deed will be issued.~~

Certification- The process by which each county certifies a list of tax delinquent real property parcels to the State of Arkansas in the care of the Commissioner on a yearly basis.

Certified Funds- Payment that is guaranteed to clear or settle by a bank or business, including without limitation a credit card, debit card, electronic check, escrow check, money order, cashier's check, or certified bank check.

Costs- Actual costs expended by the Commissioner ~~of State Lands.~~

CT- All references to times are under the North American Central Time Zone.

~~**Earnest Money**- The first One Hundred Dollar (\$100.00) payment tendered as part of a Bid, which is paid to confirm the contract to purchase. For the Tax Delinquent Property Auctions, the Earnest Money shall be paid by cash or Certified Funds. For all Unsold Property Auctions and Negotiated-Price Auctions, the Earnest Money shall be paid by Certified Funds. Earnest Money shall be paid for each successful Bid in the time period provided herein.~~

Earnest Money- The first One Hundred Dollar (\$100.00) payment tendered as part of an Online Auction Sale.

Excess Proceeds- Money received from a Bid or sale that is in excess of the taxes, fees, penalties, interest, and costs due on the property parcel at the time of sale, as well as any fees due after the sale.

Homestead- A parcel of tax-delinquent land certified to the Commissioner ~~of State Lands~~ that has been designated by the county assessor as a homestead eligible for a homestead credit under [§ 26-26-1118](#), and has been properly claimed as a homestead by the owner.

Interested Party- Any person, firm, corporation, or partnership, ~~or other legal entity~~ holding title to or an interest in the tax-delinquent land parcel by virtue of a recorded instrument at the time of Certification. ~~Mere notice of a sale by mail or publication does not convey legal status to the named entity or individual that it is an "interested party" as defined under the statutes or these Rules.~~

Limited Warranty Deed- A unique deed generated by the Commissioner ~~of State Lands~~ that conveys a limited interest in a property parcel in exchange for the purchaser paying the accepted

Bid amount for the property parcel. In most instances a Limited Warranty Deed is used by a purchaser to quiet title to the property parcel and receive full marketable title in fee simple from a court.

Litigation Period- The maximum time after the sale of a tax-delinquent property parcel that legal proceedings based on that sale may be initiated by statute.

Negotiated-Price Auction- A type of an Unsold-Property Auction that occurs two (2) years or more following the Tax Delinquent Property Auction, where the Commissioner has the discretion to set a Reserve Bid Amount for less than the amount of taxes, penalties, interest, fees and costs of the sale. Negotiated-Price Auctions are held solely online.

Notice of Sale- Notification sent to the Owner or other Interested Parties as identified by the Commissioner ~~of State Lands~~, as having a potential interest in a tax-delinquent property parcel that alerts the recipient that the State is going to take an action that will deny the recipient of any rights they may have in the property parcel, unless they take immediate action to pay the taxes, penalties, interest, fees, and costs due. Notice is also provided by publication in a newspaper having general circulation in the county where the land parcel is located.

Owner- Any person, firm, corporation, or partnership, ~~or other legal entity~~ holding title to or an interest in the tax-delinquent land parcel by virtue of a recorded instrument at the time of Certification. ~~Mere notice of a sale by mail or publication does not convey legal status to the named entity or individual that it is an "owner" as defined under the statutes or these Rules. Further, redemption of a parcel by a person not included within the definition of an "owner" does not convey ownership or title to the person so redeeming.~~

Purchaser Summary-A receipt provided at the conclusion of a Tax Delinquent Auction which verifies that a person or entity is the successful bidder and has tendered payment in an acceptable form. A Purchaser Summary does not convey title or guarantee a Limited Warranty Deed will be issued.

~~**Redeemer** - Either the Owner of the property who redeems the property by paying all taxes, penalties, interest, and costs or any other person, firm, corporation, or partnership without an existing ownership interest in the property who redeems the property by paying all taxes, penalties, interest, and costs.~~

Redeemer- Either the Owner of the parcel or any other person, firm, corporation, or partnership without an existing ownership interest in the parcel who redeems the parcel by paying all taxes, penalties, interest, fees and costs due.

~~**Redemption/Redeem** - After any sale, whether by a Tax Delinquent Property Auction or an Unsold-Property Auction, a parcel may be redeemed as set forth in these rules. A parcel may also be redeemed at any time after Certification and prior to sale. Upon Redemption, a Redemption Deed will be issued and filed with the county.~~

Redemption/Redeem- An action of payment to the Commissioner of all delinquent taxes, penalties, interest, fees and costs due to extinguish the state's interest in the parcel. Upon Redemption, a Redemption Deed will be issued.

~~**Redemption Deed**- Upon Redemption of property as set forth by the statutes and herein, the Commissioner shall issue a redemption deed. Issuance of a redemption deed does not convey any title in or establish ownership by the person in whose name the deed is issued. The deed serves as proof that payment has been received by the Commissioner of State Lands, and does not convey or change the legal ownership to the property redeemed. If a Redeemer is not the Owner at the time of Redemption, the redemption deed may only be issued in the name of the Owner, absent a filed and recorded deed showing a change in ownership. The deed shows that the state's interest is extinguished by the Redemption.~~

Redemption Deed- A deed issued by the Commissioner which serves as proof that payment has been received and the state's interest is extinguished by the redemption. Issuance of a redemption deed does not convey any title in or establish ownership to the parcel being redeemed. A Redemption Receipt will be issued to the Redeemer in the event the redeemer is not the certified record owner.

Redemption Receipt - A receipt issued to a Redeemer certifying payment in the event the Redeemer is not the certified record owner.

Reserve Bid Amount- An amount set by the Commissioner that represents the minimum Bid amount.

Tax Delinquent Property Auction- An auction for the sale of tax-delinquent property parcels where bidders are physically assembled and Bids accepted. ~~Tax Delinquent Property Auctions may include Bids made through the mail, as well as Bids made by those present. Tax Delinquent Property Auctions are usually held in the county in which the land is located.~~

Taxes- As used herein, the use of the term "taxes" shall include any and all taxes, penalties, interest, fees, and costs ~~whatsoever~~ due and owing on the property parcel. Any amounts owing continue to accrue additional taxes, penalties, interest, fees, and costs until such time as the property parcel is either sold or Redeemed.

Unsold-Property Auction - A sale consisting of Bids placed online on a tax-delinquent property parcel that was previously offered at a Tax Delinquent Property Auction but not sold. ~~Unlike a Tax Delinquent Property Auction, an An~~ Unsold-Property Auction is initiated solely by an online offer being made on the unsold property parcel and is sold to the highest bidder. ~~Unsold Property Auctions are held solely online and not in person or in the county in which the land is located.~~

Unsold-Property Auction Closing Date- The ~~date that is the~~ thirtieth (30th) calendar day from the date of the receipt of the first online Bid for a property parcel located on the Unsold-Property Auctions list. The date that the first Bid is received is included in the thirty (30) calendar days.

Unsold-Property Auction Commencement Date- The date of the receipt of the first online Bid for a property parcel located on the Unsold-Property Auctions list.

SUBTITLE E | ~~LAND-PARCEL~~ OFFERED FOR SALE

All ~~land-parcels~~ offered for sale by the Commissioner ~~has-have~~ been certified to the State by the county in which the ~~land-is~~parcels are located for non-payment of real-property taxes, penalties, interest, fees, and costs. The sale date shall be no earlier than one (1) year after the tax-delinquent ~~land-parcel~~ is certified to the Commissioner.

The ~~property-parcel~~ being offered is identified by legal description, lot and block number, or metes and bounds, as well as by parcel number, all as certified by the county. The ~~property-parcel~~ is not identified by physical address.

A list of tax delinquent ~~real-properties~~parcels being offered for sale will be available at the Tax Delinquent Property Auction or through the Commissioner's website, <https://www.cosl.org/>. A list of Unsold-Property Auction parcels available for sale will be available through the Commissioner's website. Lists of both Tax Delinquent Property Auction and Unsold-Property Auction parcels are subject to change at any time.

~~All liens and encumbrances are not necessarily extinguished by tax sales.~~ Offered parcels may be subject to liens or encumbrances, easements, building or use restrictions, or governmental interests. The parcels remain subject to the lien of taxes for the preceding calendar year that are not yet due and payable and, which may be owed to the county collector.

The Commissioner makes no covenant, representation, or warranty as to the physical or environmental condition of the ~~property~~parcel. Successful purchasers acquire the ~~property~~parcel, both surface rights and mineral rights, if not previously separated, in the condition ~~(including environmental condition)~~ existing at the time of sale "as is" with all defects, if any.

It is the responsibility of all prospective purchasers to do their own research as to the use of the ~~land-parcel~~ for their intended purpose and to exercise due diligence in researching the ~~property~~parcel. While the Commissioner attempts to convey correct and accurate information, it is the duty of

the prospective purchaser to verify all information and consult with legal or real estate experts before bidding. Any photos, maps, or other information provided through the Commissioner's office or website may not accurately show the property parcel in question, and the Commissioner makes no guarantees that such information is correct or accurate and disclaims any warranties, either express or implied, or representation with respect to any parcels ~~of land~~ offered for sale. Further, the Commissioner does not guarantee the usability of, access to, or suitability for a particular purpose of any ~~of these lands, including availability of services to the property parcel~~. This includes information found on the Commissioner's website, information obtained through a link from the Commissioner's website, and comments or statements made by employees of the Commissioner. The information provided in the website and by the Commissioner's office is for general guidance only and is not intended to constitute legal advice.

SUBTITLE F | PRE-SALE NOTICE

Certain information must be included in pre-sale notices published in newspapers and pre-sale notices sent by ~~mail~~certified mail and regular mail. Failure to include certain information required by statute may invalidate a sale of the land parcel. Only an Owner or Interested Party may challenge ~~the validity of a notice to substantially comply with the notice statutes~~the compliance of the notice statutes. The required contents of notices follow.

1. Notice of Sale by Publication

(a) A notice of sale will be published by the Commissioner in a newspaper having general circulation in the county where the land parcel is located.

~~(b) — In most cases, the sale will take place in the county where the land is located.~~

~~(c)~~(b) The published notice shall contain the following:

~~(1) The assessed value of the land;~~

~~(2)~~(1) The amount of taxes, penalties, interest, fees, and ~~the other~~ costs ~~of the sale due~~on the parcel;

~~(3)~~(2) The name of the Owner;

~~(4)~~(3) A list of all Interested Parties as identified by the Commissioner;

~~(5)~~(4) The legal description and parcel number identifying the land parcel: a partial or abbreviated legal description shall be sufficient in the notice if the name of the Owner and parcel number are listed;

~~(6) A deadline at which time Bids must be delivered and payment in full must be received from the purchasers; and~~

~~(7)~~(5) ~~The land~~ Indicate that the parcel will be sold to the highest bidder provided the Bid is equal to the taxes, penalties, interest, fees, and costs owed on the land parcel.

~~(d)~~(c) Being listed in a public notice does not convey status to an individual or entity determining that it is an Owner or Interested Party.

(d) Failure of the notice to contain the information required in subsection (b) of this section does not invalidate an auction sale of the parcel unless an Owner or Interested Party did not receive notice in substantial compliance with § 26-37-301.

(e) Other information may be included in the notice of sale if it is in the best interest of the State to do so.

2. Notice of Sale by Mail

(a) A notice of sale will be sent by certified mail to the following:

(1) The Owner at the Owner's last known address as certified by the county.

(2) All Interested Parties and any person who may be otherwise known to the Commissioner as having a potential interest. ~~Mere notice of sale does not convey legal status to the recipient that it is an "interested party" as defined under the statutes or these Rules.~~

(3) Sending or receipt of notice of sale does not convey status to an individual or entity determining that it is an Owner or Interested Party.

(b) The Commissioner shall not be required to send notice by certified mail or any other means to a person, firm, corporation, partnership, or other legal entity whose title to or interest in the tax-delinquent land-parcel is:

(1) Obtained after Certification to the Commissioner; or

(2) Expired, barred, released, or otherwise terminated before the date of sale, ~~regardless of whether a bona fide recorded instrument reflects the termination of the title or interest.~~

(c) If notice by certified mail is returned unclaimed or refused, notice will be sent by regular mail.

(d) If notice is returned undelivered for any other reason, notice will be sent to the Owner or Interested Party at any additional address reasonably identifiable through the examination of the real-property records properly filed and recorded in the office of the county recorder where the land-parcel is located as follows:

(1) The address shown on the deed to the Owner;

(2) The address shown on the deed, mortgage, assignment, or other filed and recorded document to the Interested Party; or

(3) Any other corrected or forwarding address on file with the county collector or county assessor.

(e) The notice by mail will also contain the following:

(1) A partial or abbreviated legal description and the parcel number;

- (2) A statement that the ~~land parcel~~ will be sold if not redeemed prior to 4:00 p.m. CT on the last business day prior to the date of sale; and
- (3) The sale date.

3. Notice on Homesteads

In the instance of a tax-delinquent parcel that has been claimed as a Homestead and designated as a Homestead by the county assessor under Arkansas law, the Commissioner shall send notice through a process server at least sixty (60) calendar days before the sale, if notice has not been received by certified mail. When a Homestead is owned by a husband and wife as tenants by the entirety, notice to one spouse suffices.

SUBTITLE G | ~~POST-SALE REDEMPTION~~ NOTICE

All Redemptions must be received prior to 4:00 p.m. CT on the last business day prior to the date of sale of a parcel, whether at a Tax-Delinquent Property Auction or an Unsold-Property Auction, in the following manner:

1. If a tax-delinquent parcel is to be offered at an in-person Tax Delinquent Property Auction, then at least thirty (30) calendar days prior to the date of the sale, the Commissioner shall notify the Owner and any Interested Parties by regular mail of the right to redeem the parcel prior to 4:00 p.m. CT on the last business day prior to the date of the sale by paying the amount of taxes, penalties, interest, fees and costs due on the parcel.

2. If a tax-delinquent parcel is to be offered for sale online through an Unsold-Property Auction when the first Bid is received, the Commissioner shall notify the Owner and any Interested Parties by certified mail of the date of the sale and the right to redeem the parcel before 4:00 p.m. CT on the last business day prior to the date of the sale by paying the amount of taxes, penalties, interest, fees and costs due on the parcel.

3. The notice required under this subtitle must be sent to the last-known address of the Owner as certified by the county, and any Interested Parties.

4. If a parcel subject to paragraph 1 of this subtitle is not Redeemed by the deadline stated in paragraph 1, the parcel shall be offered for sale at an in-person Tax-Delinquent Property Auction, and if sold, a Limited Warranty Deed shall be issued by the Commissioner to the purchaser.

5. If a parcel subject to paragraph 2 of this subtitle is not Redeemed by the deadline stated in paragraph 2, upon sale of the parcel, the Commissioner shall issue a Limited Warranty Deed to the purchaser.

6. Payment to Redeem a tax-delinquent parcel within thirty (30) days prior to the sale date shall be made by certified funds, including without limitation, cash, credit card, debit card, electronic check, escrow check, money order, cashier's check, or certified bank check.

~~After any sale, whether at a Tax Delinquent Property Auction or an Unsold-Property Auction, notice of the sale must be sent as follows:~~

~~1. The Commissioner must notify the Owner and Interested Parties of the right to redeem the property within ten (10) business days after the date of sale by paying the amount of taxes, penalties, interest, fees, and other costs due on the property, including the cost of notice.~~

~~2. This notice must be sent by regular mail to the last-known address of the Owner and any Interested Parties.~~

~~3. If the property is not redeemed within this Redemption period, a Limited Warranty Deed will be issued.~~

SUBTITLE H | TITLE BEING CONVEYED

The Commissioner will issue a Limited Warranty Deed conveying to the purchaser all rights, title, and interest received by the State in the tax-delinquent ~~property~~ parcel through tax forfeiture. This deed is limited in nature and often requires subsequent legal action by the buyer to obtain full marketable title. The Commissioner does not warrant that the title it conveys is free of defect or

other fault. The buyer is responsible for conducting all research regarding the parcel, including, but not limited to, consulting with private legal counsel and/or a licensed abstractor and performing a title search before bidding. ~~The Commissioner or his employees cannot give legal advice to the public.~~

Title insurance companies may or may not issue title insurance on parcels purchased at these ~~sales~~auctions, and the Commissioner makes no representation as to the availability of title insurance on these parcels. The unavailability of title insurance is not grounds for cancelling a sale or other re-conveyance to the State.

SUBTITLE I | REDEMPTION OF TAX-DELINQUENT ~~PROPERTY~~PARCELS

1. Until a tax-delinquent ~~property~~parcel is sold or disposed of by the State, a person who wishes to redeem the ~~property~~parcel shall submit the following to the Commissioner:

- (a) A petition to redeem the ~~property~~parcel that may be obtained by request through the Commissioner's website, <https://www.cosl.org/>, or by contacting the Commissioner's office;

(b) A sum of money equal to the amount of outstanding taxes, penalties, interest, fees, and costs due and owing at the time the petition is received by the Commissioner's office; and

(c) Such other documentation that the Commissioner may require.

2. The petition to redeem shall include a signature verified by the petitioner.

~~2.3.~~ ~~The parcel may be redeemed online through the Commissioner's website, <https://www.cosl.org>, by completing an online petition and paying with a credit or debit card. If the parcel is redeemed online, the petitioner is not required to submit a paper copy of the Petition to Redeem.~~

~~3.4.~~ The total amount due on a petition to redeem is valid for thirty (30) calendar days from the date requested, unless the ~~property parcel~~ has been sold, the records have been amended by a county, or additional costs, fees or taxes accrued. The amount is subject to increase within this thirty (30) calendar day period if actual costs, fees, and taxes are added. If the petition date has expired or additional costs have accrued, an updated petition to redeem must be requested.

~~4.5.~~ ~~Petitions—Effective July 1, 2023, petitions~~ and payments must be received in the Commissioner's office prior to the petition's expiration date or ~~prior to 4:00 p.m. CT on the last business day prior to the date of sale, whichever is earlier. Postmarks will not be accepted. prior to the expiration of the Redemption period, whichever is earlier. Postmarks will not be accepted. To avoid the sale of the property, a properly completed, up to date, petition to redeem with all required documentation must be timely submitted, along with full payment of the past due amount.~~ Deadlines are strictly enforced.

~~5.6.~~ Partial payments, ~~will not be accepted. Meeting part of any of the Redemption requirements will not result in redeeming the property. Incomplete petitions or incorrect petitions to redeem will be returned not be accepted and will not extend the Redemption period. Payment tendered at least thirty (30) calendar days before or no later than ten (10) business days following the sale date, must be made in cash, Certified Funds, or as provided in § 26-37-302.~~

7. ~~Payment to Redeem a tax-delinquent parcel under this subtitle shall be made in cash, Certified Funds, or as provided in § 26-37-302, if the Redemption occurs within thirty (30) calendar days before 4:00 p.m. CT on the last business day prior to the date of sale of either the Tax-Delinquent Auction or an Unsold-Property Auction.~~

8. ~~Effective July 31, 2023, upon Redemption~~

(a) ~~If the Redeemer is the owner, a Redemption Deed and Redemption Receipt will be issued in the name of the owner by the Commissioner and filed with the county.~~

~~(a)(b)~~ ~~If the Redeemer is not the owner, a Redemption Deed will be issued in the name of the owner and a Redemption Receipt will be issued to the Redeemer.~~

6. ~~If tax-delinquent property is sold at Tax Delinquent Property Auction or Unsold-Property Auction, anyone wishing to redeem the property has ten (10) business days, business days do not include weekends or nationally recognized holidays, the calculation of which begins the day after the date of the sale, during which to redeem the property.~~

~~7. — Upon Redemption, a Redemption Deed will be issued by the Commissioner and filed with the county. If the parcel has sold and is not redeemed, a Limited Warranty Deed to the purchaser will be issued. If the parcel did not sell, it will remain on the records accruing additional taxes, penalties, interest, fees, and costs and will be subject to an Unsold Property Auction.~~

SUBTITLE J | PENALTIES

~~1. — The Earnest Money tendered on the day of the sale will be forfeited by the successful bidder in the event the check or payment method used to pay the balance is returned for insufficient funds or for any other reason deemed to be in conflict with these Rules or the law.~~

2.1. Pursuant to the provisions of Ark. Code Ann. §§ 5-37-301 through 307, “The Arkansas Hot Check Law,” the maker of checks returned to the Commissioner for insufficient funds may be prosecuted.

2. The Commissioner reserves the right to exclude any individual, partnership, corporation, or other legal entity from the bidding process for failure to abide by these Rules or for failure to carry on business in good faith.

(a) Pursuant to the provisions of Ark. Code Ann. §§ 26-37-317, effective July 31, 2023, the Commissioner shall impose a penalty equal to the greater of ten percent (10%) of the face value of the payment instrument or twenty dollars (\$20.00) for any sale canceled, set aside, or held for naught for any of the following reasons.

1. The payment instrument is refused by the drawee because of insufficient funds; or
2. The maker or drawer of the payment instrument stops payment; or
3. The payment instrument tendered to the Commissioner is dishonored for any reason.

3. When a dishonored instrument is received:

- (a) The Commissioner will notify the issuer that the instrument has been dishonored; and
- (b) Provide the issuer with a date by which the instrument must be made good.
- (c) If the issuer fails to make good by the specified date, the instrument plus the added penalty will be turned over for collection.

4. Upon failure or dishonor of a payment instrument, the Commissioner may issue a cancellation deed setting aside the redemption deed or limited warranty deed.

~~in good faith.~~

SUBTITLE K | LEGAL ACTION AGAINST THE CONVEYANCE

1. The time period during which legal action must be commenced is as follows:

(a) Actions to contest the validity of the deeds issued subsequent to August 16, 2013, the effective date of Act 1231 of 2013, must be filed within ninety (90) calendar days after the date of conveyance. The statute may be further amended to either lengthen or shorten the litigation period, and these Rules shall at all times be read to reflect the version of Ark. Code Ann. § 26-37-203 applicable at the time of sale of the ~~property parcel~~ being litigated.

(b) Act 1231 of 2013 amended Arkansas Code § 26-37-203 to a ninety (90) day litigation period. ~~Previous versions of this statute allowed for a one (1) or two (2) year litigation period.~~ The litigation period of any parcel purchased from the Commissioner of State Lands should be determined by consultation with private legal counsel.

(c) Any purchaser taking action or expending money with respect to the ~~property parcel~~, prior to the expiration of the ninety (90) day litigation period, does so at their own risk. Any funds spent during this period may not be recoverable in the event of a successful challenge.

2. If the sale is set aside by legal action or if the ~~land parcel~~ is proven to be non-existent or double assessed or canceled by the Commissioner, the purchaser shall be entitled to a reimbursement of money paid to the Commissioner, interest not accruing thereon.

~~3. If the sale is set aside by the Commissioner, the purchaser may be entitled to a reimbursement of money paid to the Commissioner, interest not accruing thereon.~~

SUBTITLE L | FEES

1. The Commissioner ~~of State Lands~~ shall collect the following fees:

- (a) Emerged Land Deeds issued pursuant to §§ 22-5-404, 22-5-405 \$ 5.00
- (b) Deeds to 16th section school lands under § 22-5-407 5.00
- (c) Quitclaim deed of mineral interest under § 22-6-502 5.00
- (d) Issuance of duplicate deeds and patents under § 22-6-104 5.00
- (e) Issuance of original patents under § 22-6-105 5.00
- (f) Redemption deeds issued under § 26-37-310 5.00
- (g) Issuance of sale deeds 5.00
- (h) Double entry statements 3.00

- (i) Disclaimers 3.00
- (j) For each page of field notes issued by the office of the Commissioner-~~of State Lands~~
0.50
- (k) A fee of five dollars (\$5.00) plus actual cost for each General Land Office plat
copied and distributed.
- (2) The Commissioner ~~of State Lands~~ shall charge a collection fee of twenty-five dollars
(\$25.00) against all tax delinquent land parcels redeemed or sold by the Commissioner-~~of State
Lands~~, except the fees charged for the redemption of severed mineral interests shall not include
the twenty-five-dollar collection fee.
- (3) For each certificate of donation to forfeited lands issued by the Commissioner-~~of State
Lands~~, there shall be paid a fee of ten dollars (\$10.00).
- (4) For each donation deed issued by the Commissioner-~~of State Lands~~, there shall be paid a
fee of one dollar (\$1.00).
- (5) The fee for each required publication of delinquent real property tax lists shall be one
dollar and fifty cents (\$1.50) per tract per insertion.

Title 2: Sales at Tax Delinquent Property Auctions

SUBTITLE A | REGISTRATION

Registration will take place prior to the time of sale as specified in the notice. No Bids will be accepted unless the bidder has registered and received a pre-numbered bid card. A valid driver's license number, expiration date, and issuing state must be provided as part of the registration process. Bidders ~~may~~ shall be required to show a photo identification.

SUBTITLE B | BIDDING AT TAX DELINQUENT PROPERTY AUCTIONS

1. Bidding at a Tax Delinquent Property Auction:

- (a) Subject to proper registration as outlined in Subtitle A of this section, Bids may be made at a Tax Delinquent Property Auction on the day of the sale.
- (b) Each parcel ~~of land~~ will be offered in the order appearing on the ~~bid~~ auction list.
- (c) An oral Bid accepted at a Tax Delinquent Property Auction is a legal and binding contract to purchase. By registering to Bid, a bidder consents to abide by these rules. Any failure to abide by these rules, the terms of the sale, or a failure to make payment as required may result in the bidder being barred or excluded from future auctions and may result in legal action against the bidder to enforce the terms of sale.

~~2. Bidding by Mail~~

- ~~(-) Bids by mail must be received by the Commissioner, along with payment in full of the amount Bid, no later than seven (7) days prior to the published date of the public sale. The first one hundred dollars (\$100) must be paid by Certified Funds and the remaining balance can be paid by check.~~
- ~~(-) Bids received by the Commissioner by mail prior to the sale date will be announced immediately preceding the Tax Delinquent Property Auction of the parcel.~~
- ~~(-) Unsuccessful mail-in Bid amounts will be returned.~~

6.2. Who May Bid

- (a) Any person, corporation, association, other legal entity, or agent thereof may Bid on the parcels offered, except that the following may not Bid or purchase ~~property~~ parcels through a tax ~~sale~~ auction, whether directly or indirectly:

- (1) The Commissioner and his or her employees;
- (2) The county collector or his or her deputy;
- (3) An individual or entity whose home of record is outside the United States; and
- (4) A former Owner or Interested Party.

(b) Persons or entities that have won previous auctions and did not pay or submitted payment by an instrument that was dishonored may be prohibited from bidding. ~~Any persons or entities that have won previous auctions and submitted payment via a check with insufficient funds may be prohibited from bidding or may be required to pay in Certified Funds if permitted to Bid.~~

(c) Effective July 1, 2021, in the event it is determined that a tax-delinquent parcel previously certified to the Commissioner has been purchased by an individual or entity whose home of record is outside the United States:

- (1) The deed shall be cancelled by the Commissioner within three (3) business days of the determination;
- (2) Any and all ~~moneys~~ monies originally paid to the Commissioner for the parcel are immediately forfeited to the Commissioner; and
- (3) The parcel is immediately considered certified without further action to the Commissioner as tax delinquent.

~~7. Bidding at a Tax-Delinquent Property Auction in General~~

8.3. When bidding on property a parcel at a Tax Delinquent Property Auction, the following procedures apply:

- (1) The minimum Bid amounts are shown on the auction list. The minimum Bid amount is equal to the delinquent taxes, penalties, interest, fees, and costs as calculated by the Commissioner and based upon Certification by the county.
- (2) Each sale will be made to the highest ~~responsible~~ bidder for not less than the minimum Bid amount.

~~(3) Successful bidders at the auction will receive certificates of purchase for payments made.~~

~~(4)~~(3) The Commissioner reserves the right to reject any or all Bids.

9.4. Terms of Sale

- (a) The full purchase price is equal to the highest amount Bid.
- (b) Successful bidders at a Tax Delinquent Property Auction must tender the full purchase price at the time of the sale. Failure to do so may result in a prohibition on bidding in any or all future ~~land sales~~ auctions.

| ~~(c) — Bids by mail must include the full purchase price. DO NOT SEND CASH BY MAIL.~~

~~(d)(c)~~ When purchased at the Tax Delinquent Property Auction, the Earnest Money for each parcel purchased must be paid in cash or Certified Funds, with the balance payable by personal check or Certified Funds. No deed will be issued until clearance is assured by the bank or lending institution on which such checks are drawn. Payment by credit or debit card is subject to a non-refundable processing fee charged by the issuing credit card company. Effective July 1, 2023, each parcel purchased at the Tax Delinquent Property Auction must be paid by personal check, business check, certified funds, or credit or debit card. Cash payments are not accepted as a payment method. Payments by credit or debit card are subject to a non-refundable processing fee charged by the issuing credit card company.

~~(e)(d)~~ Effective July 1, 2023, aAll Certified Funds, business checks, and personal checks should be made payable to the “Commissioner of State Lands.”

~~(f)(e)~~ No purchase may be made on a time-payment plan. It is the bidder’s responsibility to already have acceptable funds available for payment.

~~(g)(f)~~ Upon payment of the full purchase price, the successful bidder will receive a Certificate of PurchasePurchaser Summary from the Commissioner.

~~(h)~~ — Owners, their agents, or assigns and other Interested Parties have ~~ten (10)~~ business days from the date of the sale to redeem the property.

~~(i)~~ — In the event of Redemption, the purchaser at the sale will receive a full refund, less any non-refundable processing fees charged by the issuing credit card company, no interest accruing.

~~(j)~~ — If no Redemption occurs, the purchaser will receive a Limited Warranty Deed from the Commissioner.

~~(k)(g)~~ The Commissioner reserves the right to cancel any sale.

SUBTITLE C | PAYMENT AND ISSUANCE OF LIMITED WARRANTY DEED

~~Payment of the full purchase price is due upon the acceptance of the Bid by the Commissioner. Acceptable payment methods include: personal check, Certified Funds, or, if paying in person, cash or credit or debit card. Payments made with insufficient funds will cancel the sale, and forfeit the payment of the Earnest Money of each parcel purchased. Additionally, the purchaser may no longer be allowed to purchase properties from the Commissioner.~~

~~If property has not been redeemed by the tenth (10th) business day after full payment of the Bid amount was received, the Commissioner shall issue a Limited Warranty Deed in the name of the successful bidder.~~

Effective July 1, 2023, issuance of a Limited Warranty Deed will be contingent upon full payment of the purchase price. The deed will be recorded in the county where the parcel is located and then forwarded to the purchaser.

SUBTITLE D | ANNOUNCEMENTS AT TAX DELINQUENT PROPERTY AUCTIONS

Any formal announcements made by the auctioneer on the day of the sale take precedence over

previously published or verbally conveyed terms and conditions. Answering questions or making comments does not constitute a formal or public announcement.

Listing a ~~property parcel~~ in the sale catalog does not guarantee availability on the day of the Tax Delinquent Property Auction. ~~Parcels Effective July 1, 2023, parcels~~ may be redeemed before 4:00 p.m. CT the last business day prior to the auction date or otherwise removed from the auction list at the Commissioner's discretion. A list of parcels stricken from the sale catalog will be posted or announced at the auction.

Title 3: Unsold-Property Auctions

SUBTITLE A | WHEN A PARCEL BECOMES ELIGIBLE FOR AN UNSOLD-PROPERTY AUCTION

Thirty (30) calendar days following the initial Tax Delinquent Property Auction, all parcels not sold at the Tax Delinquent Property Auction shall be placed on the Unsold-Property Auctions list maintained by the Commissioner. This list shall be placed on the Commissioner's ~~s of State Lands'~~ website, <https://www.cosl.org/>.

Listing a ~~property parcel~~ on the Unsold-Property Auctions list does not guarantee availability on the date a Bid is received. Parcels may be sold, redeemed, or otherwise removed from the auction list at the Commissioner's discretion. The Commissioner has no liability for parcels that appear on the Unsold-Property Auctions list that are subsequently not available. Potential purchasers should carefully research the parcels they intend to purchase prior to submitting Bids. The Commissioner reserves the right to reject any or all offers.

The Unsold-Property Auctions will be conducted online, and Bids will only be accepted online.

SUBTITLE B | REGISTRATION

Prior to placing any online Bid, prospective bidders must complete an initial online registration. This registration will provide each bidder with a unique identifier that will be used in the event the bidder wishes to make multiple purchases either at the time of registration or at a future online auction. This includes completing an identity (ID) verification process. The registration shall include the following:

1. Completing the ID verification process.
- ~~1.2.~~ 2. Accurate credit card or debit card information;
- ~~2.3.~~ 3. Acknowledgement and agreement that the payment method provided shall be immediately charged the \$100.00 Earnest Money if his or her Bid is successful; and
- ~~3.4.~~ 4. A valid driver's ~~ss'~~ license number, expiration date, and issuing state.

No Bids will be accepted unless the bidder has provided accurate payment information and completed the ID verification process, ~~and if~~ failure to pay based on the inability to process payment based on the information provided may result in refusal to accept future Bids.

SUBTITLE C | BIDDING AT UNSOLD PROPERTY AUCTIONS

1. Bidding

- (a) Online bidding for the Unsold-Property Auctions parcels shall not be available to the public until the parcel is added to the Unsold-Property Auctions list.
- (b) No Bid shall be accepted unless all requirements for registration are met.
- (c) An online Bid shall be considered a binding offer to purchase and shall obligate the potential purchaser to the terms and conditions published online and set forth in these Rules.

2. Auction Period

(a) The auction period begins on the Unsold-Property Commencement Date and shall end upon the Unsold-Property Auction Closing Date

~~(b) — On the Unsold-Property Auction Closing Date, bidding will close as follows:~~

~~(c)~~(b) Except as hereinafter provided in this subsection (b), bidding On the Unsold-Property Auction Closing Date, bidding will automatically closes promptly at 8:00 p.m. CT, after which time, no other Bids may be submitted;

~~(0) If a Bid has been submitted after 7:55 p.m. CT, but before 8:00 p.m. CT, bidding will be extended until an interval of five (5) minutes has passed from the last Bid placed, at which time, bidding shall close;~~

~~(0) Notwithstanding the foregoing, in no event shall Bids be accepted later than 11:59 p.m. CT on the Unsold-Property Auction Closing Date.~~

5.3. Notification and Acceptance of Bid

(a) On the Unsold-Property Auction Closing Date, the successful bidder shall be notified by the Commissioner that his or her Bid has been successful;

(b) Upon this notification, the successful bidder's payment method provided at registration shall immediately be charged the \$100 Earnest Money; provided, however, if the successful Bid is an amount less than one hundred dollars (\$100.00), the full Bid amount shall be charged as Earnest Money and payment in full;

(c) Commencing on the date of this notification, the successful bidder shall tender the entire amount of the Bid within ten (10) business days by payment in Certified Funds.

~~(d) — In the event the successful bidder fails to tender the full amount of the Bid within the time specified herein, the Bid shall be considered void, and the next highest bidder shall be notified by the Commissioner that his or her Bid has been successful, and the procedure in the preceding subsections (a) through (c) shall be followed.~~

~~(e)~~(d) Failure of a successful bidder to tender the Earnest Money or the full purchase price within the specified time may result in revocation of registration and a prohibition on bidding in any or all future ~~land~~ auctions.

6.4. Who May Bid

(a) Any person, corporation, association, other legal entity, or agent thereof may Bid on the parcels offered, except that the following may not Bid or purchase property a parcel through a tax sale, whether directly or indirectly:

- (1) The Commissioner and his or her employees;
 - (2) The county collector or his or her deputy;
 - (3) An individual or entity whose home of record is outside the United States; and
 - (4) A former Owner or Interested Party.
- (b) Any persons or entities that have won previous auctions and submitted payment via a check with insufficient funds, provided payment information upon which funds could not be drawn or otherwise failed to pay may be prohibited from bidding.
- (c) Effective July 1, 2021, in the event it is determined that a tax-delinquent parcel previously certified to the Commissioner has been purchased by an individual or entity whose home of record is outside the United States:
- (1) The deed shall be cancelled by the Commissioner within three (3) business days of the determination;
 - (2) Any and all ~~moneys-monies~~ originally paid to the Commissioner for the parcel are immediately forfeited to the Commissioner; and
 - (3) The parcel is immediately considered certified without further action to the Commissioner as tax delinquent.

7.5. Terms of Sale

- (a) The full purchase price is equal to the amount of the successful Bid.
- (b) Once a bidder is notified that his or her Bid has been successful, the Earnest Money for each parcel purchased shall be immediately paid by processing the payment method provided at registration.
- ~~(b)~~(c) Effective July 1, 2023, in the event the payment for the Earnest Money fails, the sale will be cancelled and the buyer may be prohibited from bidding in any or all future auctions.
- ~~(c)~~(d) The balance of the Bid, less the Earnest Money already paid, shall be payable by Certified Funds.
- ~~(d)~~(e) Payment by credit or debit card is subject to a non-refundable processing fee charged by the issuing credit card company.
- ~~(e)~~(f) All Certified Funds should be made payable to the "Commissioner of State Lands."
- (g) No purchase may be made on a time-payment plan. It is the bidder's responsibility to already have Certified Funds available for payment.
- ~~(f)~~(h) Effective July 1, 2023, in the event of failure to pay the balance due after the Earnest Money has been paid, the Earnest Money is forfeited to the Commissioner, the sale will be cancelled, and the buyer may be prohibited from bidding in any or all future auctions.

~~(g) — Redeemers have ten (10) business days from the date of the sale to redeem the property.~~

~~(h) — In the event of Redemption, the purchaser at the sale will receive a full refund, less any non-refundable processing fees charged by the issuing credit card company, no interest accruing.~~

~~(i) If no Redemption occurs and payment of the full purchase price is received, the purchaser will receive a Limited Warranty Deed from the Commissioner.~~

(i) If no redemption occurs before 4:00 p.m. CT the last business day prior to the Unsold-Property Auction Closing Date and payment of the full purchase price is received, the purchaser will receive a Limited Warranty Deed from the Commissioner.

(j) The Commissioner reserves the right to cancel any sale.

SUBTITLE ~~DG~~ | NOTICE OF THE UNSOLD-PROPERTY AUCTIONS

On the Unsold-Property Auction Commencement Date, the Commissioner shall send notice to the Owner and Interested Parties by certified mail and regular mail in the manner prescribed in Title 1 above.

Purchasers can expect the Unsold-Property Auction process to follow two distinct periods:

1. Upon the Unsold-Property Auction Commencement Date, a thirty (30) calendar day period follows during which the following occur concurrently:
 - (a) Additional online Bids may be placed beginning on the Unsold-Property Auction Commencement Date and ending on the Unsold-Property Auction Closing Date; and
 - (b) ~~Pre-sale n~~Notices are sent pursuant to Title 1, Subtitle F hereof.
- ~~(-) The expiration of this thirty (30) day period is deemed the sale date.~~
- ~~3. The sale date begins a ten (10) business day period during which period the following occur concurrently:
(-) Post sale notices are sent pursuant to Title 1, Subtitle G hereof., notifying requisite parties of the statutorily prescribed ten (10) business day Redemption period following the sale date; and
(-) Successful bidders must submit the full remaining balance owing on the Bid in the manner provided hereinabove.~~
2. Effective July 1, 2023, the expiration of this thirty (30) day period is deemed the Unsold-Property Auction date of sale.

SUBTITLE ~~D-E~~ | RESERVE BID AMOUNTS

For Unsold-Property Auctions held within the first two (2) years following the date of the Tax Delinquent Property Auction, the Reserve Bid Amount will be set at an amount equal to the taxes, penalty, interest, fees and costs of the sale.

For Negotiated-Price Auctions, the Reserve Bid Amount will be set at an amount the Commissioner determines to be in the best interests of the state and the local ~~-~~taxing units.

SUBTITLE ~~E-F~~ | PAYMENT AND ISSUANCE OF LIMITED WARRANTY DEED

Payment by Certified Funds is due and payable upon notice that a Bid is successful and must match the total amount of the Bid less Earnest Money paid. Payments made after the ten (10) business day payment period or made with insufficient funds will cancel the sale, and the bidder shall forfeit the payment of the Earnest Money of each parcel purchased. Additionally, the

purchaser may ~~no longer be allowed to purchase properties from the Commissioner~~be prohibited from bidding in any or all future auctions.:-

~~If property has not been redeemed by the tenth (10th) business day, the Commissioner shall issue a Limited Warranty Deed in the name of the successful bidder.~~

After the Unsold Property Auction Closing Date and receipt of payment in full of the Bid amount, the Commissioner shall issue a Limited Warranty Deed in the name of the successful bidder.

SUBTITLE ~~F-G~~ | REPORTING REQUIREMENTS

The Commissioner ~~of State Lands~~ shall submit quarterly reports to the Legislative Council or, if the General Assembly is in session, the Joint Budget Committee, listing all tax-delinquent ~~land~~ parcels sold at Unsold-Property Auctions, including a Negotiated-Price Auction.

Title 4: Excess Proceeds

Any money collected through the sale of tax-delinquent ~~property-parcels~~ that is above the amount of the taxes, fees, penalties, interest, and costs due at the time of sale shall be deemed Excess Proceeds. Such Excess Proceeds shall be distributed upon application according to statute, and any remainder shall be held in trust by the Commissioner for the former Owner.

SUBTITLE A | ORDER OF DISTRIBUTION

1. Within one (1) calendar year of the receipt of the Excess Proceeds by the Commissioner, the funds shall be distributed as follows:

- (a) To the Commissioner to pay penalties, collection fees, sale costs, and other costs as may be provided by law; and
- (b) To the county to pay the delinquent taxes, interest, and costs.

2. The remaining Excess Proceeds shall be held for one (1) year following the date of the Limited Warranty Deed. After the one-year period has expired, upon submission and approval of the application from the relevant governmental entity, the Excess Proceeds are distributed as follows:

- (a) To the county to satisfy delinquent personal property taxes and penalties;
- (b) To the Department of Finance and Administration to satisfy delinquent taxes, penalties, and interest for which certificates of indebtedness have been filed;
- (c) To the county to satisfy delinquent solid waste assessments, plus penalty and interest;
- (d) In the event the Commissioner is required to make a refund to the purchaser of the ~~property-parcel~~ for the taxes or assessments withheld pursuant to this subsection, the amount of the refund shall be recovered by the Commissioner from the county, counties, or department that originally received the proceeds under this title.

3. If any Excess Proceeds remain following the above distributions, the remainder is distributed as follows:

- (a) Ten percent (10%) of the remaining funds up to a maximum of five hundred dollars (\$500) shall be paid to the Commissioner for the administration of the distribution of Excess Proceeds; however, the amount paid to the Commissioner shall not be a sum less than the amount necessary to pay filing fees required to record any deeds;
- (b) The remainder shall be paid to the former Owner of the ~~property-parcel~~ upon submission of a complete application packet and any other documents required by the Commissioner from the former Owner, and upon the approval of the Commissioner.

SUBTITLE B | SUBMITTING A CLAIM

1. Who Can Submit a Claim

- (a) Former Owners can claim Excess Proceeds, subject to the following:-
 - (1) The former Owner must have held record title to the ~~property~~ parcel at the time of the sale;
 - (2) If the former Owner is a corporation, partnership, or other legal entity, it must be capable of owning real property in the State of Arkansas;
 - (3) Former owner does not include heirs or relations beyond the first degree of consanguinity.
- (b) Heirs or relations within the first degree of consanguinity can claim Excess Proceeds, subject to the following:
 - (1) Such heirs must be directly related within the first generation, which generally means they are ~~only~~ the parents, children, or siblings of the former Owner;
 - (2) Additional documentation to claim as an heir shall be required and includes such information as the death certificate of the former Owner, any probate records related to the former Owner, the birth certificate of the heir, an affidavit of heirship from a disinterested third party, and such other information as the Commissioner may require;
 - (3) Any application by an heir who is beyond the first degree of consanguinity shall be rejected and not considered.
- (c) A former Owner, part-Owner, or Interested Party who purchases ~~property~~ a parcel at a tax sale is not entitled to a distribution of Excess Proceeds.

2. Submitting the Claim

- (a) A claim packet may be obtained through the Commissioner's website, <https://www.cosl.org/> or by calling the Commissioner's office and requesting that a packet be mailed.
- (b) A complete claim packet must include all of the following, or it will be returned to the claimant:
 - (1) A claim form;
 - (2) A deed of release;
 - (3) A release and indemnification;
 - (4) A third-party release and indemnification;
 - (5) The claimant's W-9;

- (6) A copy of the deed vesting title in the former Owner;
 - (7) Proof that the former Owner received mail at the address certified by the county;
 - (8) Two forms of identification, one of which must be a picture ID; and
 - (9) Any other information that the Commissioner may require in support of the claim.
- (c) If the claim is submitted by an heir, the documentation set forth in subsection 2(b)(2) of this title must also be provided.
- (d) If the claim involves the services of a third-party agent, the following must also be provided:
- (1) A copy of the signed contract between the agent and the former Owner, which may not allow for a fee of greater than ten percent (10%) of the Excess Proceeds to be paid to the agent; and
 - (2) A third-party release and indemnification signed by the third-party agent.
- (e) If the former Owner was a corporation, partnership, or other legal entity, the following must additionally be submitted:
- (1) Documents establishing authority of the person to act on behalf of the legal entity; and
 - (2) A current certificate of good standing for the entity.

SUBTITLE C | APPROVAL OF CLAIMS

1. The claim shall be denied if the above requirements are not strictly met.
2. Submission of a claim does not guarantee the approval of the claim.

SUBTITLE D | PERIOD OF TIME FOR SUBMISSION OF CLAIMS

1. The Excess Proceeds are held for a period of two (2) years, or as determined by the requirements of the law at the time the ~~property~~ parcel was sold.
2. If the Excess Proceeds are not distributed during the time period pertaining to the specific parcel, they shall escheat by operation of law to the county where the tax-delinquent ~~property~~ parcel sold is located.
3. Funds held by the Commissioner past the date required to escheat to the county by statute belong to the county and are not subject to recovery by the former Owner or anyone else.

SUBTITLE A | ADDITIONAL DUTIES

1. In addition to other duties and powers conferred by law upon the Commissioner ~~of State Lands~~, he or she shall have the following duties and powers:

(a) Effectuate the policies declared in § 22-5-301, to carry out its purposes by securing the cooperation and assistance of the United States and any of its agencies, and to enter into contracts, agreements, and conveyances necessary to secure such federal assistance;

(b) Conduct investigations, independently or jointly with other state and federal agencies, relating to conditions and factors affecting, and methods of accomplishing more effectively, the purposes of this subchapter; and

(c) Assign lands to the several state agencies for administration, subject to their agreement and acceptance.

SUBTITLE B | APPRAISALS

2. The Commissioner ~~of State Lands~~ may appoint appraisers to inspect and appraise state-owned lands for sale, transfer, or donation.

(a) It shall be unlawful for the ~~Commissioner of State Lands~~ to dispose of state-owned lands without an appraisal made by appraisers appointed by the Commissioner ~~of State Lands~~, except that he or she may sell or dispose of town lots and acreage descriptions of ten (10) acres or less without an appraisal.

(b) Each appraiser selected shall, by education or experience, be familiar with and know how to arrive at the value of lands, water rights, mineral rights, timber lands, rural lands, agricultural lands, and noncultivable lands; shall understand legal descriptions of real properties; shall have a working knowledge of county and state real property records; and shall be capable of passing dependable judgments upon the values of rural properties.

(c) Upon entering the duties of his or her office, each appraiser shall take an oath of office as prescribed in Arkansas Constitution, Article 19, § 20. This oath shall state that he or she will not, directly or indirectly, be engaged in the purchase of state-owned lands during his or her continuance in office and that he or she will not engage in any speculation of state-owned lands or give information to any agent, friend, or secret or other partner so as to secure the advantages of that information to himself or herself or to any person, association, or company to the prejudice or exclusion of other persons.

(d) Each appraiser shall enter into bond to the state in the sum of one thousand dollars (\$1,000), to be furnished by a surety company authorized to do business in the State of Arkansas,

conditioned that he or she will faithfully discharge all of his or her duties according to law and the rules of the Commissioner ~~of State Lands~~.

(e) After qualifying as provided in this section, each appraiser shall perform his or her duties in the manner prescribed by the Commissioner ~~of State Lands~~.

SUBTITLE C | DISPOSITION OF STATE LANDS

3. State lands shall be disposed of according to the following requirements:

(a) State lands shall be classified as to whether they should be retained in public ownership or returned to private ownership through sale or donation, and the classification may be changed.

(b)(1) The Commissioner ~~of State Lands~~ shall dispose of the lands and make deeds to the lands in accordance with this classification.

(2) With the approval of the Governor and review by the General Assembly or the Legislative Council, lands classified as suitable for return to private ownership may be sold to private parties by the Commissioner ~~of State Lands~~.

(c) The Commissioner ~~of State Lands~~ may direct that land shall be retained and administered by certain appropriate state or local agencies or shall be disposed of and deeded in such manner that the state shall be eligible for any benefits under any act of the United States Congress.

(d) Where lands are disposed of by return to private ownership, the deeds shall contain such restrictive covenants or restraints on alienation as the Commissioner ~~of State Lands~~ may deem necessary to ensure the protection and use of the land in a manner beneficial to the public. All coal, oil, gas, and mineral rights shall be reserved to the state except in the case of tax-forfeited lands. However, the original owner or his or her heirs shall be allowed to redeem or acquire these lands in accordance with the provisions of this subchapter without the oil, gas, and mineral rights being restricted or reserved.

(e)(1) Where land is classified as land which should be returned to private ownership by sale, the Commissioner ~~of State Lands~~ shall offer the land for sale to the highest bidder, but only if his or her bid is at least equal to the appraised value.

(2) Land shall not be sold for less than its appraised value, except that, pending appraisal, the Commissioner ~~of State Lands~~ is authorized to continue sales of state lands as provided for in §§ 26-37-101 -- 26-37-105, 26-37-201 -- 26-37-205, and 26-37-301 -- 26-37-303.

(f) Lands shall not be donated by the Commissioner ~~of State Lands~~ until they have been classified as appropriate for donation by the Commissioner ~~of State Lands~~.

(g) If, at the end of three (3) years after appraisal by the Commissioner ~~of State Lands~~, lands classified as land which should be returned to private ownership by sale shall remain unsold on the books of the Commissioner ~~of State Lands~~, the unsold lands shall be reappraised by the Commissioner ~~of State Lands~~.

(h) Tax delinquent lands are not subject to the terms and restrictions of this Title 5 and may be disposed of as required by law.

SUBTITLE D | DEEDS TO EMERGED LANDS

The Commissioner, by virtue of Ark. Code Ann. §§ 22-5-405, Deeds to Lands in Lakes or Rivers, is empowered to execute deeds to riparian owners in certain circumstances. This Subtitle D shall establish the process and procedure through which the Commissioner may fulfill its obligations under the aforementioned code provision. The Commissioner shall create an online application process.

1. Riparian owners seeking a deed to emerged lands from the Commissioner shall:

(a) Complete the online application provided on the Commissioner's website, <https://www.cosl.org/>.

(b) In addition to the completed application, the applicant shall provide:

(1) A survey of the land for which the deed is sought, performed and prepared by a professional surveyor licensed by the State of Arkansas;

(2) All field notes and plats created as part of the survey; and

(3) Three (3) affidavits from competent persons having full personal knowledge of the facts. Each affidavit shall include:

(a) A statement of knowledge that the area for which the deed is sought has emerged to the ordinary high water mark; and

(b) The area for which the deed is sought is capable of cultivation.

2) The sufficiency and acceptance of any application submitted shall be solely at the discretion of the Commissioner.

State of Arkansas

As Engrossed: S2/13/23

94th General Assembly

A Bill

Regular Session, 2023

HOUSE BILL 1163

By: Representative Bentley

By: Senator G. Stubblefield

For An Act To Be Entitled

AN ACT TO AMEND THE LAW RELATED TO THE MANAGEMENT OF
LANDS LOCATED OR CREATED WITHIN LAKES OR RIVERS BY
THE COMMISSIONER OF STATE LANDS; AND FOR OTHER
PURPOSES.

Subtitle

TO AMEND THE LAW RELATED TO THE
MANAGEMENT OF LANDS LOCATED OR CREATED
WITHIN LAKES OR RIVERS BY THE
COMMISSIONER OF STATE LANDS.

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

SECTION 1. Arkansas Code § 22-5-405 is amended to read as follows:
22-5-405. Deeds to lands in lakes or rivers.

(a) The Commissioner of State Lands is empowered and authorized to
execute deeds to lands described in § 22-5-404 to riparian owners upon
application and the filing of proof of record ownership of adjacent lands and
proof of proper survey of the lands, conveying all the right, title, and
interest of the State of Arkansas to lands as have emerged or may emerge to
the mean high-water mark of any such stream or lake.

(b) All applicants for deeds under this section shall, ~~upon filing an~~
~~application therefor, deposit with the Commissioner of State Lands the~~
~~estimated cost of survey of the lands to be fixed by the Commissioner of~~
~~State Lands. He or she shall thereupon direct the county surveyor of the~~



~~county in which the lands are located, or some other competent surveyor to be selected by the Commissioner of State Lands, to accurately survey the lands and compile the field notes and plat the lands in reference to the survey of adjacent lands, by the extension of township, range, and section lines, and to file the field notes and plats in the office of the Commissioner of State Lands~~

(1)(A) Submit a completed application to the Commissioner of State Lands.

(B) The Commissioner of State Lands shall develop the application and provide an application form in electronic format available online;

(2)(A) Submit a survey of the land.

(B) A survey of the land under subdivision (b)(2)(A) of this section shall:

(i) Include field notes and plats;

(ii) Be performed by a professional surveyor licensed by the State of Arkansas; and

(ii) Be completed within the six-month period directly preceding the submission date of the application;

(3)(A) Submit the affidavits of three (3) competent persons having full personal knowledge of the facts.

(B) Each affidavit under subdivision (b)(3)(A) of this section shall include without limitation statements that the applied-for lands:

(i) Have emerged to the high-water mark; and

(ii) Are capable of cultivation.

~~Upon the filing of the field notes and plats, the Commissioner of State Lands shall pay for the cost of the survey of lands applied for out of the money deposited as provided in subsection (b) of this section~~ receipt and verification of all submissions under subsection (b) of this section, the Commissioner of State Lands may issue the deed.

~~(d) The applicant shall, after the filing of the field notes and survey, file affidavits of at least three (3) competent persons having full personal knowledge of the facts, stating that the lands applied for have actually emerged to high water mark and are capable of cultivation, whereupon the Commissioner of State Lands may issue the deed upon the payment of a deed~~

1 ~~fee of five dollars (\$5.00)~~ Commissioner of State Lands shall promulgate
2 rules under the Arkansas Administrative Procedure Act, § 25-15-201 et seq.,
3 to carry out the duties of this section.
4

5 SECTION 2. DO NOT CODIFY. Rules.

6 (a) When adopting the initial rules required under this act, the
7 Commissioner of State Lands shall file the final rules with the Secretary of
8 State for adoption under § 25-15-204(f):

9 (1) On or before January 1, 2024; or

10 (2) If approval under § 10-3-309 has not occurred by January 1,
11 2024, as soon as practicable after approval under § 10-3-309.

12 (b) The Commissioner of State Lands shall file the proposed rules with
13 the Legislative Council under § 10-3-309(c) sufficiently in advance of
14 January 1, 2024, so that the Legislative Council may consider the rules for
15 approval before January 1, 2024.

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17 */s/Bentley*
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20 **APPROVED: 2/27/23**
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State of Arkansas *As Engrossed: H1/26/23 H2/6/23*

94th General Assembly

Regular Session, 2023

A Bill

HOUSE BILL 1191

By: Representative Richmond

By: Senator G. Stubblefield

For An Act To Be Entitled

AN ACT TO AMEND THE LAW CONCERNING MANAGEMENT AND
SALE OF TAX DELINQUENT LANDS BY THE COMMISSIONER OF
STATE LANDS; TO STANDARDIZE THE USE OF THE TERM
"PARCEL"; AND FOR OTHER PURPOSES.

Subtitle

TO AMEND THE LAW CONCERNING MANAGEMENT
AND SALE OF TAX DELINQUENT LANDS BY THE
COMMISSIONER OF STATE LANDS; AND TO
STANDARDIZE THE USE OF THE TERM "PARCEL".

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

SECTION 1. Arkansas Code § 21-6-203(c), concerning the Commissioner of
State Lands and definitions, is amended to read as follows:

(c) All funds, including proceeds, rates, fees, and charges collected
by the Commissioner of State Lands, shall be deposited into a financial
institution in the state of Arkansas or United State Treasury Securities.

SECTION 2. Arkansas Code § 26-37-103 is amended to read as follows:
26-37-103. Verification by county assessor.

(a) Prior to certification to the Commissioner of State Lands, the
county assessor shall:

(1) Verify the assessment to establish value on all parcels to
be certified;

(2) Verify the name and last known address of the owner of



1 record of the tax-delinquent ~~land~~ parcel; and

2 (3) Determine whether the tax-delinquent ~~land~~ parcel exists.

3 (b) If the ~~land~~ parcel is found to be nonexistent, the county assessor
4 shall remove the delinquent entry from the assessment rolls.

5 (c) ~~No tax-delinquent land shall be certified~~ A tax delinquent parcel
6 shall not be transmitted by certification to the Commissioner of State Lands
7 without the county assessor's verification.

8 (d) In the event the Commissioner of State Lands determines the tax-
9 delinquent parcel is incorrectly certified for failure to meet the
10 requirements of this section, the Commissioner of State Lands shall return
11 the tax-delinquent parcel with the invalid certification to the county.

12
13 SECTION 3. Arkansas Code § 26-37-201(a)(1), concerning the publication
14 of notice and fee by the Commissioner of State Lands, is amended to read as
15 follows:

16 (a)(1) The Commissioner of State Lands shall publish a notice of sale
17 of ~~land~~ a parcel upon which the ad valorem property taxes have not been paid
18 in a newspaper having general circulation in the county where the ~~land~~ parcel
19 is located.

20
21 SECTION 4. Arkansas Code § 26-37-201(b), concerning the publication of
22 notice and fee by the Commissioner of State Lands, is amended to read as
23 follows:

24 (b) The notice shall:

25 (1) ~~Contain the assessed value of the land;~~

26 ~~(2)~~ Contain the amount of taxes, interest, penalties, and other
27 costs due on the ~~land~~ parcel;

28 ~~(3)-(A)-(2)(A)~~ Contain the name of the owner, the legal
29 description, and parcel number of the ~~land~~ parcel.

30 (B) A part or abbreviated legal description shall be
31 sufficient in the notice if the name of the owner and parcel number are
32 listed;

33 ~~(4)-(3)~~ Contain a list of all interested parties; and

34 ~~(5)-(4)~~ Indicate that the ~~land~~ parcel will be sold to the highest
35 successful bidder if the bid is equal to at least the amount of delinquent
36 taxes, penalties, interest, and the costs of the sale.

1
2 SECTION 5. Arkansas Code § 26-37-201(d), concerning the publication of
3 notice and fee by the Commissioner of State Lands, is amended to read as
4 follows:

5 (d)(1) Failure of the notice to contain the information required in
6 subsection (b) of this section does not invalidate an auction sale of the
7 ~~land~~ parcel unless an owner or interested party did not receive notice in
8 substantial compliance with § 26-37-301.

9
10 SECTION 6. Arkansas Code § 26-37-205(a), concerning the distribution
11 of funds by the Commissioner of State Lands, is amended to read as follows:

12 (a) All moneys collected by the Commissioner of State Lands from the
13 sale or redemption of tax-delinquent ~~lands~~ parcels shall be distributed as
14 follows:

15 (1)(A) First, to the Commissioner of State Lands, the penalties,
16 the collection fees, the sale costs, and the other costs as prescribed by
17 law.

18 (B) The sale costs include without limitation fees for
19 title work;

20 (2) Second, to each county an amount equal to the taxes due plus
21 interest and costs to the county as certified by the county collector, which
22 amount shall be held in an escrow fund administered by and remitted to the
23 county within one (1) calendar year of the receipt of the moneys by the
24 Commissioner of State Lands;

25 (3)(A) Third, to each county an amount equal to the delinquent
26 personal property taxes, plus penalty, of the owner or owners of the tax-
27 delinquent ~~land~~ parcel as certified by the county collector, which amount
28 shall be held in an escrow fund administered by and remitted to the county
29 after one (1) calendar year of the receipt of the moneys by the Commissioner
30 of State Lands.

31 (B) The Commissioner of State Lands shall review the
32 information provided by the county collector and any other interested party
33 to ascertain:

34 (i) Whether the personal property tax and penalty
35 qualifies to be withheld from the tax-delinquent ~~land~~ parcel sale proceeds;
36 and

1 (ii) The amount of personal property tax and penalty
2 that qualifies under this subdivision (a)(3) to be withheld.

3 (C) If the Commissioner of State Lands is required to make
4 a refund of the personal property taxes withheld under subdivision (a)(3)(A)
5 of this section to a purchaser of tax-delinquent ~~lands~~ parcels for any
6 reason, the amount of the refund shall be recovered by the Commissioner of
7 State Lands from the county or counties that originally received the proceeds
8 under this subdivision (a)(3) of the tax-delinquent ~~land~~ parcel sale.

9 (D) The Commissioner of State Lands shall promulgate rules
10 and forms needed to administer this subdivision (a)(3).

11 (E) This section does not require the Commissioner of
12 State Lands to search county records to determine whether an owner of the
13 tax-delinquent ~~land~~ parcel owes delinquent personal property taxes.

14 (F) This section does not grant a county a right to a lien
15 against real property for the payment of delinquent personal property tax;

16 (4)(A) Fourth, to the Department of Finance and Administration
17 an amount equal to the delinquent tax, penalty, and interest owed to the
18 department and for which certificates of indebtedness have been filed against
19 the owner or owners of the tax-delinquent ~~land~~ parcel as certified by the
20 department, which amount shall be held in an escrow fund administered by and
21 remitted to the department within one (1) calendar year after the receipt of
22 the moneys by the Commissioner of State Lands.

23 (B) If the Commissioner of State Lands is required to make
24 a refund of the taxes withheld under subdivision (a)(4)(A) of this section to
25 a purchaser of tax-delinquent ~~lands~~ parcels for any reason, the amount of the
26 refund shall be recovered by the Commissioner of State Lands from the
27 department from the proceeds originally received under this subdivision
28 (a)(4).

29 (C) The Commissioner of State Lands shall promulgate rules
30 and forms needed to administer this subdivision (a)(4);

31 (5)(A) Fifth, to each county an amount equal to the delinquent
32 solid waste assessments, plus penalty and interest, of the owner or owners of
33 the tax-delinquent ~~land~~ parcel as certified by the county collector, which
34 amount shall be held in an escrow fund administered by and remitted to the
35 county after one (1) calendar year of the receipt of the moneys by the
36 Commissioner of State Lands.

1 (B) The Commissioner of State Lands shall review the
2 information provided by the county collector and any other interested party
3 to ascertain:

4 (i) Whether the amount of delinquent solid waste
5 assessment and penalty and interest qualifies to be withheld from the tax-
6 delinquent ~~land~~ parcel sale proceeds; and

7 (ii) The amount of delinquent solid waste assessment
8 and penalty and interest that qualifies under this subdivision (a)(5) to be
9 withheld.

10 (C) If the Commissioner of State Lands is required to make
11 a refund of the delinquent solid waste assessment withheld under subdivision
12 (a)(5)(A) of this section to a purchaser of tax-delinquent ~~lands~~ parcels for
13 any reason, the amount of the refund shall be recovered by the Commissioner
14 of State Lands from the county or counties that originally received the
15 proceeds under this subdivision (a)(5) of the tax-delinquent ~~land~~ parcel
16 sale.

17 (D) The Commissioner of State Lands shall promulgate rules
18 and forms needed to administer this subdivision (a)(5).

19 (E) This section does not require the Commissioner of
20 State Lands to search county records to determine whether an owner of the
21 tax-delinquent ~~land~~ parcel owes delinquent solid waste assessments.

22 (F) This section does not grant a county a right to a lien
23 against real property for the payment of delinquent solid waste assessment;
24 and

25 (6) Sixth, to be placed in another escrow fund administered by
26 the Commissioner of State Lands, the remainder, if any.

27
28 SECTION 7. Arkansas Code § 26-37-205(b)(2)(A), concerning the
29 distribution of remaining funds to former owners of tax-delinquent land, is
30 amended to read as follows:

31 (2)(A) After payment is made to the Commissioner of State Lands
32 pursuant to subdivision (b)(1) of this section, the amount left in the
33 remaining funds shall be paid to the former owners of the tax-delinquent ~~land~~
34 parcel.

35
36 SECTION 8. Arkansas Code § 26-37-205(b)(2)(C)(ii), concerning the

1 application process to establish prior ownership of tax-delinquent land, is
2 amended to read as follows:

3 (ii) The application shall be provided by the
4 Commissioner of State Lands and shall require proof of ownership of the tax-
5 delinquent ~~land~~ parcel as well as proof of authority to act on behalf of the
6 owner.

7
8 SECTION 9. Arkansas Code § 26-37-205(b)(2)(D)(i), concerning the
9 requirements to obtain payment of excess funds by a prior owner of tax-
10 delinquent lands, is amended to read as follows:

11 (D)(i) The former owner shall release and relinquish all
12 rights, title, and interests in and to the tax-delinquent ~~land~~ parcel.
13

14 SECTION 10. Arkansas Code § 26-37-205(b)(3), concerning the obsolete
15 provisions of the law regarding escrow funds for excess funds, is repealed.

16 ~~(3)(A) Any funds placed in escrow prior to July 1, 2005, shall~~
17 ~~be held in escrow for five (5) years and at the end of the five-year period,~~
18 ~~if the funds have not been distributed, the escrow funds shall escheat by~~
19 ~~operation of law to the county in which the property is located.~~

20 ~~(B) Any funds placed in escrow on and after July 1, 2005,~~
21 ~~but before July 1, 2018, shall be held for three (3) years, and at the end of~~
22 ~~the three-year period, if the funds have not been distributed, the escrow~~
23 ~~funds shall escheat by operation of law to the county in which the property~~
24 ~~is located.~~

25 ~~(C) Any funds placed in escrow on and after July 1, 2018,~~
26 ~~shall be held for two (2) years, and at the end of the two-year period, if~~
27 ~~the funds have not been distributed, the escrow funds shall escheat by~~
28 ~~operation of law to the county in which the property is located.~~
29

30 SECTION 11. Arkansas Code § 26-37-205(c)-(e), concerning the
31 distribution of proceeds from the redemption or sale of tax-delinquent lands
32 to municipal taxing units, is amended to read as follows:

33 (c) Any funds placed in escrow shall be held by the Commissioner of
34 State Lands for two (2) years from the date the funds are placed in escrow,
35 and if at the conclusion of that time the funds have not been distributed,
36 the escrow funds shall escheat by operation of law to the county in which the

1 parcel is located.

2 (d) All funds distributed to each county by the Commissioner of State
3 Lands from the redemption or sale of tax-delinquent ~~lands~~ parcels, including
4 any interest and costs, are to be distributed to the applicable taxing units
5 where the delinquent ~~land~~ parcel is located within the county in the manner
6 and proportion that the taxes would have been distributed if they had been
7 collected in the year due.

8 ~~(d)~~(e) All funds received by a county from the redemption of tax-
9 delinquent ~~land~~ parcels at the county level, including any penalty, interest,
10 and costs, are to be distributed to the applicable taxing units where the
11 delinquent ~~land~~ parcel is located within the county in the manner and
12 proportion that the taxes would have been distributed if they had been
13 collected in the year due.

14 ~~(e)~~(f) *This section shall be severable, and if any phrase, clause,*
15 *sentence, or provision of this section is declared to be contrary to the laws*
16 *of this state, the validity of the remainder of this section shall not be*
17 *affected.*

18
19 SECTION 12. Arkansas Code § 26-37-303(a), concerning redemption deeds
20 issued by the Commissioner of State Lands, is amended to read as follows:

21 (a) If the owner or redeemer redeems the tax-delinquent ~~land~~ parcel,
22 *the Commissioner of State Lands shall issue:*

23 (1) a A redemption deed in the name of the owner ~~or redeemer~~ and
24 record it in the county wherein the ~~land~~ parcel is located; and

25 (2) A redemption receipt to the redeemer.

26
27 SECTION 13. Arkansas Code § 26-37-303(b)(2), concerning specific
28 attributes of redemption deeds issued by the Commissioner of State Lands, is
29 amended to read as follows:

30 (2) Not convey or change the legal ownership to the ~~property~~
31 parcel redeemed.

32
33 SECTION 14. Arkansas Code § 26-37-310 is amended to read as follows:
34 26-37-310. Procedure for redeeming ~~land~~ parcels certified to state -
35 Definition.

36 (a) All ~~land~~ parcels forfeited to the state for nonpayment of taxes

1 may, until disposed of by the state, be redeemed under this section.

2 (b) To request redemption under subsection (a) of this section, a
3 person shall submit the following to the Commissioner of State Lands:

4 (1)(A) An executed petition with a verified signature to redeem
5 the ~~property~~ parcel in a form prescribed by the Commissioner of State Lands.

6 (B) The Commissioner of State Lands shall make the
7 petition form available upon request;

8 (2) Payment in an amount equal to the total of outstanding
9 taxes, penalties, interest, fees, and costs owed at the time the petition is
10 received by the Commissioner of State Lands; and

11 (3) Any additional documentation requested by the Commissioner
12 of State Lands.

13 (c) The total amount due under subdivision (b)(2) of this section
14 shall not be raised or lowered for thirty (30) days after the date the
15 redemption under subsection (a) of this section is requested, unless:

16 (1) The ~~property~~ parcel has been sold;

17 (2) The records have been amended by a county; or

18 (3) The actual costs, fees, and taxes are added to the total
19 amount due.

20 (d) An updated petition to redeem shall be provided to the
21 Commissioner of State Lands, if the date of the submission of the petition to
22 redeem has expired or additional costs, fees, and taxes have accrued.

23 (e) *Petitions and payment in full received by the Commissioner of*
24 *State Lands at least thirty (30) days before ~~and no later than ten (10) days~~*
25 *~~following~~ the sale date shall be made in cash, certified funds, or as*
26 *provided in § 26-37-302.*

27 (f)(1) Upon redemption, a redemption deed will be issued by the
28 Commissioner of State Lands.

29 (2) The deed shall be forwarded to the circuit clerk of the
30 county in which the ~~land or lot~~ parcel conveyed by the deed is situated, to
31 be filed of record.

32 (3)(A) The Commissioner of State Lands may establish by rule a
33 fee for producing a redemption deed.

34 (B)(i) A fee under this subsection shall not be
35 established in an amount that exceeds the costs expended by the Commissioner
36 of State Lands in producing or filing the redemption deed or performing the

1 services required to carry out the established duties of the ~~office~~ Office of
2 the Commissioner of State Lands.

3 (ii) As used in subdivision (f)(3)(B)(i) of this
4 section, "costs" means the actual costs expended by the Commissioner of State
5 Lands plus three percent (3%) of the actual costs expended by the
6 Commissioner of State Lands.

7 (g) The redemption deed shall serve as proof that payment has been
8 received by the Commissioner of State Lands, in accordance with the
9 provisions of § 26-37-302, and does not convey or change the legal ownership
10 to the property redeemed.

11 (h) Upon receipt of the redemption deed, the county collector shall
12 extend on the tax book against the ~~land~~ parcel or lot the taxes other than
13 state and county for the years that the taxes have not been paid since the
14 sale of the ~~land or lot~~ parcel to the state, and these taxes shall be charged
15 and collected as other taxes.

16 (i) The proceeds of all redemptions of forfeited ~~land~~ parcels shall be
17 divided between the county where the ~~land are~~ parcel is situated and the
18 state, as set forth in § 26-37-205, and paid over in the manner as required
19 and provided in this section.

20
21 SECTION 15. Arkansas Code § 26-37-313 is repealed.

22 ~~26-37-313. Reassessment of parcels of land upon depreciation since~~
23 ~~forfeiture.~~

24 ~~(a)(1) Town and city lots and blocks and acreage tracts, lots, blocks,~~
25 ~~divisions, and subdivisions that have been platted and sold as being outside~~
26 ~~of the corporate limits of towns and cities, and rural lots and parcels of~~
27 ~~land now, or which may hereafter be, forfeited to the state for nonpayment of~~
28 ~~taxes due thereon that have depreciated in value since forfeiture may be~~
29 ~~reassessed at their present value by the county assessor of the county in~~
30 ~~which the lands are located, upon application being made in writing by the~~
31 ~~application to redeem or purchase them, setting forth the reasons for the~~
32 ~~reassessment. No application shall contain more than five (5) descriptive~~
33 ~~calls. Before any such reassessment shall be valid, it shall be presented to~~
34 ~~the county judge and the chief county school officer of the county in which~~
35 ~~the lands are located and approved by them in writing and made a matter of~~
36 ~~record in the county by the county clerk.~~

1 ~~(2) The fee of the county assessor shall be one dollar (\$1.00)~~
2 ~~for each application. The fee shall be paid to the county treasurer and~~
3 ~~credited by him or her to the county general revenue fund. The fee of the~~
4 ~~county clerk shall be the regular fee allowed by law and shall be paid by the~~
5 ~~applicant seeking reassessment.~~

6 ~~(b)(1) If the county assessor deems the assessment for which parcels~~
7 ~~of land were forfeited to be too high, he or she shall prepare a certificate~~
8 ~~stating that a reassessment has been made under this section and shall state,~~
9 ~~under oath, the cause for the depreciation in the value of the lots or~~
10 ~~parcels of land.~~

11 ~~(2) The county assessor, the county judge, and the chief county~~
12 ~~school officer are prohibited from making any such reassessment as set out in~~
13 ~~this section except for the following causes:~~

14 ~~(A) Burned buildings not replaced and on which the~~
15 ~~applicant did not collect insurance;~~

16 ~~(B) Buildings removed and from which the applicant~~
17 ~~received no benefit;~~

18 ~~(C) Erosion;~~

19 ~~(D) Damage by flood;~~

20 ~~(E) Damage by tornado;~~

21 ~~(F) Removal of timber from which the applicant received no~~
22 ~~benefit; or~~

23 ~~(G) Any act of God.~~

24 ~~(3) When the reassessment has been made, a complete record~~
25 ~~thereof, including a certified copy of the application, the reassessment, and~~
26 ~~the court order, shall be forwarded to the Commissioner of State Lands, who~~
27 ~~shall, upon its receipt, enter it upon a record to be kept by him or her in~~
28 ~~his or her office for that purpose, and he or she shall issue redemption~~
29 ~~deeds or sale deeds for forfeited lands in the manner and form provided by~~
30 ~~law, based upon the reassessment value.~~

31
32 */s/Richmond*

33
34
35 **APPROVED: 3/2/23**

State of Arkansas
94th General Assembly
Regular Session, 2023

A Bill

HOUSE BILL 1224

By: Representative Bentley
By: Senator G. Stubblefield

For An Act To Be Entitled

AN ACT TO AMEND THE LAW CONCERNING THE REDEMPTION OR
SALE OF TAX-DELINQUENT PROPERTY; TO ALLOW A
REDEMPTION DEED OR SALE DEED TO BE CANCELED IF THE
PAYMENT INSTRUMENT USED TO REDEEM OR PURCHASE TAX-
DELINQUENT PROPERTY FAILS OR IS DISHONORED; TO
PROVIDE A PENALTY FOR DISHONORED PAYMENT INSTRUMENTS
USED TO REDEEM OR PURCHASE TAX-DELINQUENT PROPERTY;
AND FOR OTHER PURPOSES.

Subtitle

TO ALLOW A REDEMPTION DEED OR SALE DEED
TO BE CANCELED AND A PENALTY IMPOSED IF
THE PAYMENT INSTRUMENT USED TO REDEEM OR
PURCHASE TAX-DELINQUENT PROPERTY FAILS OR
IS DISHONORED.

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

SECTION 1. Arkansas Code Title 26, Chapter 37, Subchapter 3, is
amended to add an additional section to read as follows:

26-37-317. Dishonored payment instruments – Penalty.

(a) As used in this section, "payment instrument" means a check,
draft, order of payment, debit card order, electronic funds transfer, or
other acceptable form of payment that is authorized by rule by the
Commissioner of State Lands to be used for payment.

(b) The Commissioner of State Lands may cancel, set aside, and hold



1 for naught a redemption deed or sale deed he or she issued for a tax-
2 delinquent parcel if:

3 (1) The payment instrument tendered to and accepted by the
4 Commissioner of State Lands in payment of the redemption amount or purchase
5 price of a tax-delinquent parcel is refused by the drawee because of
6 insufficient funds, insufficient credit, or lack of an account;

7 (2) The maker or drawer stops payment on the payment instrument
8 tendered to and accepted by the Commissioner of State Lands in payment of the
9 redemption amount or purchase price of a tax-delinquent parcel; or

10 (3) The payment instrument tendered to and accepted by the
11 Commissioner of State Lands in payment of the redemption amount or purchase
12 price of a tax-delinquent parcel is otherwise dishonored.

13 (c) Upon the failure or dishonor of a payment instrument tendered to
14 and accepted by the Commissioner of State Lands in payment of the redemption
15 amount or purchase price of a tax-delinquent parcel, the Commissioner of
16 State Lands may:

17 (1)(A) Issue a cancellation deed cancelling and setting aside
18 the redemption deed or sale deed.

19 (B) The Commissioner of State Lands shall:

20 (i) File any cancellation deed issued under
21 subdivision (c)(1)(A) of this section for record in the county in which the
22 parcel is located; and

23 (ii) Pay the expense for filing a cancellation deed
24 under subdivision (c)(1)(B)(i) of this section from the maintenance fund of
25 the office of the Commissioner of State Lands; and

26 (2) Impose a penalty against the maker or drawer of the payment
27 instrument in an amount equal to the greater of ten percent (10%) of the face
28 value of the payment instrument or twenty dollars (\$20.00).

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31 **APPROVED: 3/2/23**
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State of Arkansas

As Engrossed: S2/13/23

94th General Assembly

A Bill

Regular Session, 2023

HOUSE BILL 1263

By: Representative Richmond

By: Senator G. Stubblefield

For An Act To Be Entitled

AN ACT TO AMEND THE LAW CONCERNING THE SALE AND
REDEMPTION OF TAX-DELINQUENT PROPERTY; TO DECLARE AN
EMERGENCY; AND FOR OTHER PURPOSES.

Subtitle

TO AMEND THE LAW CONCERNING THE SALE AND
REDEMPTION OF TAX-DELINQUENT PROPERTY;
AND TO DECLARE AN EMERGENCY.

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

SECTION 1. Arkansas Code § 26-37-202 is amended to read as follows:
26-37-202. Procedure to sell.

~~(a)(1) Bidders for parcels at a tax delinquent property auction may
bid at the sale or may submit their bids to the office of the Commissioner of
State Lands by mail or online.~~

~~(2) Bids shall be delivered at the appropriate place or by the
appropriate method before the deadline established in the notice of the tax-
delinquent property auction.~~

~~(3) The Commissioner of State Lands shall conduct a tax-
delinquent property auction under this subsection in person under
subdivisions (c)(1) and (2) of this section.~~

~~(4)(A)~~ An individual or entity whose home of record is outside
the United States is prohibited from purchasing a tax-delinquent property
parcel certified to the Commissioner of State Lands.

~~(B)(2)~~ Effective July 1, 2021, in the event it is



1 determined that a tax-delinquent parcel previously certified to the
2 Commissioner of State Lands has been purchased by an individual or entity
3 whose home of record is outside the United States:

4 ~~(i)~~(A) The deed shall be cancelled by the
5 Commissioner of State Lands within three (3) business days of the
6 determination;

7 ~~(ii)~~(B) Any and all moneys originally paid to the
8 Commissioner of State Lands for the parcel are immediately forfeited to the
9 Commissioner of State Lands; and

10 ~~(iii)~~(C) The parcel is immediately considered
11 certified to the Commissioner of State Lands as tax-delinquent.

12 (b)(1)(A) If at ~~the~~ a scheduled tax-delinquent property auction a
13 person or entity does not bid at least the amount of delinquent taxes,
14 penalties, interest, and the costs of the sale, the Commissioner of State
15 Lands may sell a tax-delinquent ~~land~~ parcel at an unsold-property auction.

16 (B) The Commissioner of State Lands may conduct an unsold-
17 property auction under subdivision (b)(1)(A) of this section online.

18 (2)(A) If a tax-delinquent ~~land~~ parcel is offered at an unsold-
19 property auction within the first two (2) years following the tax-delinquent
20 property auction ~~under subsection (a) of this section~~, the tax-delinquent
21 ~~land~~ parcel shall be offered for at least the amount of the delinquent taxes,
22 penalties, interest, and the costs of the sale.

23 (B)(i) If a tax-delinquent ~~land~~ parcel is offered two (2)
24 years or more following the tax-delinquent property auction ~~under subsection~~
25 ~~(a) of this section~~, the sale of the tax-delinquent ~~land~~ parcel may be
26 negotiated at a price the Commissioner of State Lands determines to be in the
27 best interest of the state and the local taxing units.

28 (ii) The Commissioner of State Lands may conduct a
29 negotiated-price sale under subdivision (b)(2)(B)(i) of this section online.

30 (3) The Commissioner of State Lands shall submit quarterly
31 reports to the Legislative Council or, if the General Assembly is in session,
32 the Joint Budget Committee, listing all tax-delinquent ~~land~~ parcels sold at
33 an unsold-property auction or a negotiated-price sale under this section.

34 (c)(1) Except as provided in subdivision (c)(2) of this section, when
35 the Commissioner of State Lands conducts an in-person tax-delinquent property
36 auction, the in-person tax-delinquent property auction shall take place in

1 the county where the ~~land~~ parcel is located.

2 (2) If the Commissioner of State Lands determines that
3 sufficient parcels of land located in one (1) county do not exist to justify
4 an in-person sale in one (1) county, the Commissioner of State Lands may hold
5 an in-person tax-delinquent property auction in one (1) location and sell
6 ~~land parcels~~ located in more than one (1) county if the counties are
7 adjoining counties.

8 (3) Unsold-property auctions and negotiated-price auctions are
9 exempt from subdivisions (c)(1) and (2) of this section.

10 (d) The auctions under this section shall be conducted on the dates
11 specified in the notices required by this subchapter.

12 (e)(1)(A) ~~After a sale of the land by the Commissioner of State Lands,~~
13 ~~regardless of whether the sale occurred at a tax-delinquent property auction,~~
14 ~~an unsold-property auction, or a negotiated-price sale, If a tax-delinquent~~
15 ~~parcel is to be offered at an in-person tax-delinquent property auction, then~~
16 ~~at least thirty (30) calendar days before the date of the sale the~~
17 Commissioner of State Lands shall notify the owner and all interested parties
18 ~~by regular mail of the right to redeem the land within ten (10) days,~~
19 ~~excluding Saturdays, Sundays, and legal holidays, after parcel before 4:00~~
20 ~~p.m. central standard time (CST) on the last business day before the date of~~
21 the sale by paying all taxes, penalties, interest, and costs due, including
22 the cost of the notice.

23 (B) If a tax-delinquent parcel is offered for sale online
24 through an unsold-property auction or a negotiated-price sale, when the first
25 bid is received, the Commissioner of State Lands shall notify the owner and
26 all interested parties by certified mail of the date of the sale and the
27 right to redeem the parcel before 4:00 p.m. central standard time (CST) on
28 the last business day before the date of the sale by paying all taxes,
29 penalties, interest, and costs due, including the cost of the notice.

30 (2) The notice required under subdivision (e)(1) of this section
31 shall be sent ~~by regular mail~~ to the owner at his or her last known address,
32 ~~of the owner as certified by the county,~~ and all interested parties.

33 (3)(A) ~~If the land~~ a parcel subject to subdivision (e)(1)(A) of
34 this section is not redeemed by the deadline stated in subdivision (e)(1)(A)
35 of this section, the parcel shall be offered for sale at an in-person tax-
36 delinquent auction, and if sold, a limited warranty deed shall be issued by

1 the Commissioner of State Lands to the purchaser.

2 (B) If a parcel subject to subdivision (e)(1)(B) of this
3 section is not redeemed by the deadline stated in subdivision (e)(1)(B) of
4 this section, upon sale of the parcel, the Commissioner of State Lands shall
5 issue a limited warranty deed to the purchaser.

6 (f) Payment to redeem a tax-delinquent parcel under this section shall
7 be made by certified funds, including without limitation, cash, a credit
8 card, debit card, electronic check, escrow check, money order, cashier's
9 check, or certified bank check.

10 (g) As used in this section:

11 (1) "Business day" means a Monday, Tuesday, Wednesday, Thursday,
12 or Friday that is not otherwise observed as an official state holiday; and

13 (2) "owner Owner" and "interested party" have the same meaning
14 as in § 26-37-301.

15 ~~(g)~~(h) The Commissioner of State Lands shall promulgate rules to carry
16 out the provisions of this section.

17
18 SECTION 2. Arkansas Code § 26-37-302 is amended to read as follows:
19 26-37-302. Payment required.

20 (a) To redeem a tax-delinquent land parcel with the county collector
21 or the Commissioner of State Lands ~~and or~~ to purchase a tax-delinquent land
22 parcel at the Commissioner of State Lands' sale, the redeemer or purchaser of
23 the tax-delinquent land parcel shall pay all delinquent taxes, plus:

24 (1) Ten percent (10%) simple interest for each year of
25 delinquency;

26 (2) A ten percent (10%) penalty for each year of the
27 delinquency; and

28 (3) The costs incurred by the county and the Commissioner of
29 State Lands.

30 (b) The penalties and interest shall accrue beginning on October 16 in
31 the year of delinquency.

32 (c) Payment to redeem a tax-delinquent land parcel under this section
33 shall be made by cash or certified funds, including without limitation a
34 credit card, debit card, electronic check, escrow check, money order,
35 cashier's check, or certified bank check if the redemption occurs:

36 (1) Within thirty (30) days before the date of the scheduled

1 ~~sale tax-delinquent property auction; or~~

2 (2) ~~During the redemption period following the sale Within~~
3 ~~thirty (30) days before the sale date of the tax-delinquent parcel under bid~~
4 ~~in an unsold-property auction.~~

5 (d) The Commissioner of State Lands may approve additional forms of
6 payment by promulgation of rule.

7
8 SECTION 3. Arkansas Code § 26-37-310 is amended to read as follows:

9 26-37-310. Procedure for redeeming land certified to state –
10 Definition.

11 (a) All ~~lands~~ parcels forfeited to the state for nonpayment of taxes
12 may, until disposed of by the state, be redeemed under this section.

13 (b) To request redemption under subsection (a) of this section, a
14 person shall submit the following to the Commissioner of State Lands:

15 (1)(A) An executed petition with a verified signature to redeem
16 the ~~property~~ parcel in a form prescribed by the Commissioner of State Lands.

17 (B) The Commissioner of State Lands shall make the
18 petition form available upon request;

19 (2) Payment in an amount equal to the total of outstanding
20 taxes, penalties, interest, fees, and costs owed at the time the petition is
21 received by the Commissioner of State Lands; and

22 (3) Any additional documentation requested by the Commissioner
23 of State Lands.

24 (c) The total amount due under subdivision (b)(2) of this section
25 shall not be raised or lowered for thirty (30) days after the date the
26 redemption under subsection (a) of this section is requested, unless:

27 (1) The ~~property~~ parcel has been sold;

28 (2) The records have been amended by a county; or

29 (3) The actual costs, fees, and taxes are added to the total
30 amount due.

31 (d) An updated petition to redeem shall be provided to the
32 Commissioner of State Lands, if the date of the submission of the petition to
33 redeem has expired or additional costs, fees, and taxes have accrued.

34 (e)(1) Petitions and payment in full received by the Commissioner of
35 State Lands for in-person tax-delinquent property auctions at least thirty
36 (30) days before ~~and no later than ten (10) days following~~ the sale date

1 shall be made in cash, certified funds, or as provided in § 26-37-302.

2 (2) Petitions and payment in full received by the Commissioner
3 of State Lands for unsold-property auctions and negotiated-price sales within
4 thirty (30) days before 4:00 p.m. central standard time (CST) on the business
5 day before the published sale date shall be made in cash, certified funds, or
6 as provided in § 26-37-302.

7 (f)(1) Upon redemption, ~~a redemption deed will be issued by the~~
8 Commissioner of State Lands shall issue a redemption deed to the owner or a
9 redemption receipt to the person who paid the taxes if the person who paid
10 the taxes is not the owner.

11 (2) The deed shall be forwarded to the circuit clerk of the
12 county in which the ~~land or lot~~ parcel conveyed by the deed is situated, to
13 be filed of record.

14 (3)(A) The Commissioner of State Lands may establish by rule a
15 fee for producing a redemption deed.

16 (B)(i) A fee under this subsection shall not be
17 established in an amount that exceeds the costs expended by the Commissioner
18 of State Lands in producing or filing the redemption deed or performing the
19 services required to carry out the established duties of the office of the
20 Commissioner of State Lands.

21 (ii) As used in subdivision (f)(3)(B)(i) of this
22 section, "costs" means the actual costs expended by the Commissioner of State
23 Lands plus three percent (3%) of the actual costs expended by the
24 Commissioner of State Lands.

25 (g) The redemption deed shall serve as proof that payment has been
26 received by the Commissioner of State Lands, in accordance with the
27 provisions of § 26-37-302, and does not convey or change the legal ownership
28 to the ~~property~~ parcel redeemed.

29 (h) Upon receipt of the redemption deed, the county collector shall
30 extend on the tax book against the ~~land or lot~~ parcel the taxes other than
31 state and county for the years that the taxes have not been paid since the
32 sale of the ~~land or lot~~ parcel to the state, and these taxes shall be charged
33 and collected as other taxes.

34 (i) The proceeds of all redemptions of forfeited ~~lands~~ parcels shall
35 be divided between the county where the ~~lands~~ parcels are situated and the
36 state, as set forth in § 26-37-205, and paid over in the manner as required

1 and provided in this section.

2 (j) As used in this section, "business day" means a Monday, Tuesday,
3 Wednesday, Thursday, or Friday that is not otherwise observed as an official
4 state holiday.

5
6 SECTION 4. EMERGENCY CLAUSE. It is found and determined by the
7 General Assembly of the State of Arkansas that the efficient management of
8 tax-delinquent property in Arkansas is of utmost importance to school
9 districts and local communities; and that this act is immediately necessary
10 because proper funding of education, roads, hospitals, libraries, public
11 safety, and the general operation of county and city governments are some of
12 the most important responsibilities of the General Assembly. Therefore, an
13 emergency is declared to exist, and this act being immediately necessary for
14 the preservation of the public peace, health, and safety shall become
15 effective on:

16 (1) The date of its approval by the Governor;

17 (2) If the bill is neither approved nor vetoed by the Governor,
18 the expiration of the period of time during which the Governor may veto the
19 bill; or

20 (3) If the bill is vetoed by the Governor and the veto is
21 overridden, the date the last house overrides the veto.

22
23 */s/Richmond*

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26 **APPROVED: 3/9/23**
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