

1 **State of Arkansas**

2 **79th General Assembly**

3 **Regular Session, 1993**

4 **By: Representatives Dietz, McCuiston, Jones, McKissack, Brown, Blair, Thicksten, Hendrix,**  
5 **and Argue**

# **A Bill**

**HOUSE BILL 1688**

## **For An Act To Be Entitled**

9 "AN ACT TO CREATE THE COMMISSIONER OF STATE LANDS URBAN  
10 HOMESTEAD ACT BY ALLOWING FOR THE DONATION OF TAX-  
11 FORFEITED LAND TO CITIES, INCORPORATED TOWNS, AND TO  
12 COMMUNITY ORGANIZATIONS FOR ESTABLISHING AN URBAN  
13 HOMESTEAD PROGRAM; AND FOR OTHER PURPOSES."

## **Subtitle**

16 "AN ACT TO CREATE THE COMMISSIONER OF STATE LANDS URBAN  
17 HOMESTEAD ACT."

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

21 SECTION 1. This act shall be known as "The Commissioner of State Lands  
22 Urban Homestead Act".

24 SECTION 2. As used in this act, unless the context otherwise requires:

25 (1) "Urban" means land found within the city limits of any city or  
26 incorporated town in the state.

27 (2) "Homestead" means the home and accompanying or adjoining land of  
28 the primary residence of a person.

29 (3) "Community Organization" means a recreational, educational, social  
30 or benevolent organization dedicated to improving the mental or physical  
31 health and welfare of its members and of the public. A community organization  
32 may be established for community betterment or beautification, environmental  
33 protection, establishment of housing, and other purposes beneficial to the  
34 community and may be a division of the federal, state, county or local  
35 government or may be a private nonprofit corporation.

1           (4) "Applicant" means any city, incorporated town, or community  
2 organization applying to the Commissioner of State Lands for donation of tax-  
3 forfeited land. The applicant is responsible for transferring the donated  
4 parcel to an eligible person.

5           (5) "Eligible person" means an individual person or family unit meeting  
6 eligibility criteria for the sale, lease or grant of a homestead. A  
7 corporation, partnership, association or similar organization shall not be an  
8 eligible person. The eligibility criteria for the sale, lease or grant of a  
9 homestead shall be established by the Commissioner of State Lands and shall  
10 take into account the income of the person or family unit which shall not  
11 exceed the median family income, as determined by the United States Department  
12 of Housing and Urban Development, for the area in which the applicant is  
13 located.

14

15           SECTION 3. Purpose. The Commissioner of State Lands Urban Homestead  
16 Act shall apply only to urban property and shall be established to prevent  
17 waste of valuable real property, already offered for public sale and not  
18 disposed of, which has been certified to the Commissioner of State Lands  
19 Office for nonpayment of ad valorem real property taxes. The further intent  
20 of this section is to provide cities, incorporated towns, and community  
21 organizations the ability to better serve any eligible person in need of a  
22 homestead, and to provide the eligible person the opportunity to hold and  
23 maintain a private residence, and to contribute to the taxing structure of the  
24 applicable taxing units.

25

26           SECTION 4. All land subject to donation under this subsection must have  
27 been offered for sale to the highest bidder by the Commissioner of State  
28 Lands, Chapter 37 of Title 26 of the Arkansas Code of 1987 Annotated. After  
29 the commissioner has met the requirements of Chapter 37 of Title 26 of the  
30 Arkansas Code of 1987 Annotated, the commissioner may accept applications for  
31 donation of remaining tax-forfeited urban property. The commissioner shall  
32 prescribe the requisite contracts, forms or applications.

33

34           SECTION 5. Applicants for donation may be made by the following persons  
35 or community organizations:

1 (1) agents of cities and incorporated towns which also have one of the  
2 community organizations listed in subsections (2)(A) - (D) below;

3 (2) the chair of the board or executive director of one of the  
4 following community organizations:

5 (A) Housing Authority

6 (B) Community Development Agency

7 (C) Community Development Corporation

8 (D) Local Initiative Support Corporation

9 (3) other community organizations may apply for donation of the land so  
10 long as that organization is a nonprofit corporation which qualifies as an  
11 Internal Revenue Service section 501(c)(3) tax exempt organization.

12

13 SECTION 6. Any applicant must have legal authority to accept and convey  
14 title to properties for homesteading purposes.

15

16 SECTION 7. Before the commissioner may donate any parcel to any  
17 applicant, other than agents of a city or incorporated town, the city or town  
18 shall grant express approval of the donation, thereby avoiding possible  
19 conflicts in planning or development projects overseen by the cities or towns  
20 of this state.

21

22 SECTION 8. The commissioner may accept, modify, or deny any  
23 application. Accepted applications will result in a contract or limited  
24 warranty donation deed between the commissioner and applicant for donation of  
25 tax-forfeited lands. The contract or deed, to be provided by the  
26 commissioner, shall provide that the applicant will have primary  
27 responsibility for the development of the donated parcel. *The contract or*  
28 *deed shall also set out the eligibility criteria for determining an eligible*  
29 *person with respect to a sale, lease, or grant of a homestead from the donated*  
30 *parcel and shall require the applicant to follow such eligibility criteria in*  
31 *making sales, leases, or grants from the donated parcel.* Upon execution of a  
32 donation deed to the applicant, the commissioner may no longer be an immediate  
33 party to the construction or maintenance of the parcel, except that the  
34 contract or donation deed may contain a possibility of reverter to the  
35 commissioner should the proposed homestead, for any reason, not develop

1 pursuant to specifications. In addition, the contract or deed may provide the  
2 time period within which the property may be developed.

3

4 SECTION 9. With execution of the donation deed, the commissioner may  
5 waive outstanding taxes, penalties and interest within authority of the  
6 Commissioner of State Lands Office. Other liens or encumbrances attached to  
7 the property not within the commissioner\_s authority pursuant to Chapter 37 of  
8 Title 26 of the Arkansas Code of 1987 Annotated will be considered a matter to  
9 be resolved between the applicant and lienholder.

10

11 SECTION 10. No consideration shall be required for the transfer of  
12 title between the commissioner and applicant except one dollar (\$1.00).  
13 Additional, actual costs associated with the conveyance, including but not  
14 limited to abstracting, researching, confirmation of title, and the filing of  
15 documents with the county, may be charged to the applicant by the Commissioner  
16 of State Lands.

17

18 SECTION 11. Development of the donated parcel shall be strictly for the  
19 construction or maintenance of a homestead for eligible persons. Upon  
20 completion of the construction of the home, the city, incorporated town or  
21 community organization may sell, lease, or grant the home to any eligible  
22 person.

23

24 SECTION 12. The homestead is to be used strictly for the private  
25 residence of the eligible person. The sale, lease or grant of the home shall  
26 be a transaction between the applicant and the eligible person.

27

28 SECTION 13. Upon transferring the land to the eligible person, the  
29 homestead will be treated as any other private residence and subject to all  
30 laws and regulations of the government, including the payment of real property  
31 taxes.

32

33 SECTION 14. All provisions of this act of a general and permanent  
34 nature are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas  
35 Code Revision Commission shall incorporate the same in the Code.

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30  
31  
32  
33  
34  
35

SECTION 15. If any provision of this act or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the act which can be given effect without the invalid provision or application, and to this end the provisions of this act are declared to be severable.

SECTION 16. All laws and parts of laws in conflict with this act are hereby repealed.

*/s/Rep. Dietz, et al*

*As Engrossed: 4/6/93*

**HB 1688**

- 1
- 2
- 3
- 4
- 5

**rrs222**