

1 **State of Arkansas**
2 **79th General Assembly**
3 **Regular Session, 1993**
4 **By: Senator Gordon**

A Bill

SENATE BILL 510

For An Act To Be Entitled

8 "AN ACT TO PROVIDE THAT THE STATE LAND COMMISSIONER SHALL
9 NOT SELL NOR CONVEY TAX DELINQUENT SEVERED MINERAL
10 INTERESTS BUT SHALL HOLD THE SAME INDEFINITELY FOR
11 REDEMPTION; AND FOR OTHER PURPOSES."

Subtitle

14 "TO PROVIDE THAT THE STATE LAND COMMISSIONER SHALL NOT
15 SELL NOR CONVEY TAX DELINQUENT SEVERED MINERAL INTERESTS."

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

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19 SECTION 1. When severed mineral interests are forfeited to the state
20 and conveyed by certification to the Commissioner of State Lands for
21 nonpayment of property taxes, title to the severed mineral interests shall
22 vest in the state of Arkansas, in the care of the Commissioner of State Lands.
23 The commissioner shall so notify the owner of record by certified mail at his
24 last known address. The commissioner shall not sell, *except as provided in*
25 *Section 2*, the severed mineral interests but shall retain the same
26 indefinitely for redemption. However, the severed mineral interests may be
27 leased by the commissioner, if the commissioner determines such lease is in
28 the best interest of the state. All benefits, including royalty and leasehold
29 payments, accruing after title vests in the state, and before redemption,
30 shall be payable to the Commissioner of State Lands. Upon receipt of any such
31 benefits, the Commissioner of State Lands shall deposit such funds into
32 financial institutions in this state. The tax delinquent severed mineral
33 interests may be redeemed at any time in the manner prescribed for the
34 redemption of tax delinquent real property, provided, however, that upon
35 redemption the owner shall not be entitled to any payments received by the

1 commissioner prior to redemption. All funds derived from redemption shall be
2 held in escrow by the commissioner for one (1) year, at which time they shall
3 be distributed the same as funds derived from the redemption of real property.

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5 SECTION 2. *When at least twenty-five percent (25%) of tax delinquent*
6 *severed mineral interests are owned by one (1) person or a group of persons*
7 *related within the first degree of consanguinity or a legal entity, the*
8 *commissioner shall, after the expiration of the redemption period prescribed*
9 *by Chapter 37 of Title 26 of the Arkansas Code, sell the severed mineral*
10 *interests to the surface owners if the surface owners opt to purchase the tax*
11 *delinquent severed mineral interest.*

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13 SECTION 3. All benefits, including royalty and leasehold payments,
14 payable to the Commissioner of State Lands pursuant to this act are not
15 subject to the provisions of Arkansas Code Annotated §§ 18-28-201 through 18-
16 28-232 and §§ 18-28-401 through 18-28-403.

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18 SECTION 4. The provisions of this act shall be applicable to all tax
19 delinquent severed mineral interests currently forfeited to the state and
20 certified to the Commissioner of State Lands as well as all tax delinquent
21 severed mineral interests forfeited to the state, hereafter.

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23 SECTION 5. All provisions of this act of a general and permanent
24 nature are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas
25 Code Revision Commission shall incorporate the same in the Code.

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27 SECTION 6. If any provision of this act or the application thereof to
28 any person or circumstance is held invalid, such invalidity shall not affect
29 other provisions or applications of the act which can be given effect without
30 the invalid provision or application, and to this end the provisions of this
31 act are declared to be severable.

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33 SECTION 7. All laws and parts of laws in conflict with this act are
34 hereby repealed.

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1 SECTION 8. EMERGENCY. It is hereby found and determined by the General
2 Assembly that numerous tax delinquent severed mineral interests exist on the
3 records of the Commissioner of State Lands office; that current laws requiring
4 the sale of such severed mineral interests are not feasible; consequently, it
5 is imperative that a procedure be established whereby the state can collect
6 benefits from tax delinquent severed mineral interests. Therefore, an
7 emergency is hereby declared to exist and this act being necessary for the
8 immediate preservation of the public peace, health and safety shall be in full
9 force and effect from and after its passage and approval.

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/s/Senator Gordon

As Engrossed: 3/26/93

SB 510

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