

Stricken language would be deleted from and underlined language would be added to the law as it existed prior to this session of the General Assembly.

State of Arkansas
84th General Assembly
Regular Session, 2003

As Engrossed: H3/27/03

A Bill

HOUSE BILL 2384

By: Representative Verkamp

For An Act To Be Entitled

AN ACT TO PROVIDE FOR THE ENFORCEMENT OF THE
ESCROW ACCOUNT REQUIREMENTS FOR MINERAL PROCEEDS;
AND FOR OTHER PURPOSES.

Subtitle

AN ACT TO PROVIDE FOR THE ENFORCEMENT OF
THE ESCROW ACCOUNT REQUIREMENTS FOR
MINERAL PROCEEDS.

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

SECTION 1. Arkansas Code § 18-28-402, pertaining to escrow accounts
for mineral proceeds, is amended to read as follows:

18-28-402. Escrow accounts.

(a)(1) A holder of mineral proceeds shall establish an escrow account
for mineral proceeds if the person entitled to the receipt of the proceeds is
unknown or has not been located within one (1) year after the funds became
payable or distributable.

(2) The escrow account shall be for the benefit of the rightful
recipient of the mineral proceeds.

(3) Any person showing to the holder sufficient proof of
identity and ownership of the property shall be promptly paid the sum
accumulated for his or her benefit in the escrow account.

(b)(1) If a holder of mineral proceeds is required to establish more
than one (1) escrow account by operation of this section, then the mineral
proceeds accruing may be commingled in a single account.

(2) Separate records of each deposit and withdrawal on behalf of



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specific persons shall be maintained.

(c) The ~~Auditor of State~~ Oil and Gas Commission shall require a report of each account to be filed annually. The report shall include, but shall not be limited to:

- (1) The name and last known address of the property owner;
- (2) The legal description of the property interest;
- (3) The location and account number of the escrow account;
- (4) The name of the person authorized to order withdrawals from the account; and

(5) Any other information that the ~~Auditor of State~~ Oil and Gas Commission may require.

(d) Any holder of mineral proceeds who violates this section shall be guilty of a misdemeanor and shall be subject to a fine not to exceed one thousand dollars (\$1,000) for each violation.

(e) The Oil and Gas Commission shall enforce the provisions of this subchapter and shall conduct random audits of the escrow accounts required by this section.

/s/ Verkamp