

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.

1 State of Arkansas
2 84th General Assembly
3 Regular Session, 2003
4

As Engrossed: H3/27/03 H4/1/03

A Bill

HOUSE BILL 2384

5 By: Representative Verkamp
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For An Act To Be Entitled

9 AN ACT TO PROVIDE FOR THE ENFORCEMENT OF THE
10 ESCROW ACCOUNT REQUIREMENTS FOR MINERAL PROCEEDS;
11 AND FOR OTHER PURPOSES.
12

Subtitle

14 AN ACT TO PROVIDE FOR THE ENFORCEMENT OF
15 THE ESCROW ACCOUNT REQUIREMENTS FOR
16 MINERAL PROCEEDS.
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19 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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21 SECTION 1. Arkansas Code § 18-28-402, pertaining to escrow accounts
22 for mineral proceeds, is amended to read as follows:

23 18-28-402. Escrow accounts.

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

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

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

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

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



1 specific persons shall be maintained.

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

5 (1) The name and last known address of the property owner;

6 (2) The legal description of the property interest;

7 (3) The location and account number of the escrow account;

8 (4) The name of the person authorized to order withdrawals from
9 the account; and

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

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

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

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19 /s/ Verkamp

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