

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

A Bill

SENATE BILL 763

4
5 By: Senator Steele
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For An Act To Be Entitled

9 AN ACT TO ALLOW REDEVELOPMENT OF URBAN AREAS BY
10 REDUCING THE LENGTH OF TIME FOR AN OWNER OF TAX-
11 FORFEITED LAND TO REDEEM THE LAND IF THE LAND WAS
12 SOLD AT A NEGOTIATED SALE; AND FOR OTHER
13 PURPOSES.
14

Subtitle

15 TO ALLOW REDEVELOPMENT OF URBAN AREAS BY
16 REDUCING THE LENGTH OF TIME FOR AN OWNER
17 OF TAX-FORFEITED LAND TO REDEEM THE
18 LAND.
19
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22 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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24 SECTION 1. Arkansas Code § 26-37-203(b), regarding contests to the
25 validity of the conveyance to the purchaser of realty at a tax sale, is
26 amended to read as follows:

27 (b)(1) Except as provided in subdivision (b)(2) and (3) of this
28 section, all ~~All~~ actions to contest the validity of the conveyance shall be
29 brought within two (2) years after the date of the conveyance or thereafter
30 be barred.

31 (2) ~~except as to causes~~ Causes of actions by persons suffering a
32 mental incapacity, minors, or those serving in the United States armed forces
33 during time of war during the two-year period shall be brought within two (2)
34 years after the disability is removed, the minor reaches majority, or the
35 person is released from active duty with the armed forces.

36 ~~(2) Those persons shall not be allowed to contest the validity~~



1 ~~of the conveyance after the expiration of two (2) years after the disability~~
2 ~~is removed or the person reaches majority or the person is released from~~
3 ~~active duty with the armed forces.~~

4 (3) An action to challenge the conveyance to a purchaser of a
5 subdivided lot that was sold at a negotiated sale under § 26-37-202(b) shall
6 be brought within ninety (90) days after the date of the conveyance or
7 thereafter be barred.

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9 SECTION 2. Arkansas Code § 26-37-205(b), regarding the distribution of
10 funds from the sale of tax-delinquent land, is amended to read as follows:

11 (b) If no actions are brought within ~~two (2) years after the date of~~
12 ~~conveyance as provided in~~ the time limits prescribed under this subchapter §
13 ~~26-37-202~~, the remaining funds, if any, shall be distributed by the
14 Commissioner as follows:

15 (1) To former owners of the tax delinquent land.

16 (A) Such former owners must file an application with the
17 Commissioner requesting the release of any remaining funds. The application
18 shall be provided by the Commissioner of State Lands and shall require proof
19 of ownership. In addition, the application may require other information the
20 Commissioner may deem necessary to obtain prior to the release of said funds.

21 (B) In the event of multiple claims of ownership or
22 controversy regarding the release of such funds, it shall be the
23 responsibility of the parties seeking release of the funds to resolve such
24 controversy;

25 (2) The funds shall be held in escrow for five (5) more years,
26 and, at the end of such five-year period, if the funds have not been
27 distributed, the escrow funds shall escheat to the county wherein the
28 property is located.

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30 SECTION 3. Arkansas Code § 26-37-209 is amended to read as follows:
31 26-37-209. Compensation for improvements.

32 (a)(1) Except as provided in this subdivision (a)(2), no ~~No~~ purchaser
33 of any land or town or city lot, nor any person claiming under him, shall be
34 entitled to any compensation for any improvements which he shall make on the
35 land or town or city lot within two (2) years from and after the sale of the
36 land or lot.

1 (2) No purchaser of a subdivided lot that was sold at a
2 negotiated sale under § 26-37-202(b) shall be entitled to any compensation
3 for any improvements that he or she makes to the lot within ninety (90) days
4 after the date of the sale.

5 (b)(1) Except as provided in this subdivision (b)(2), for ~~For~~
6 improvements made after two (2) years from the date of sale, the purchaser
7 shall be allowed the full cash value of the improvements, and the allowance
8 shall be a charge upon the land.

9 (2) For improvements made after ninety (90) days from the date
10 of sale to a subdivided lot that was purchased at a negotiated sale under §
11 26-37-202(b), the purchaser shall be allowed the full cash value of the
12 improvements, and the allowance shall be a charge upon the land.

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14 SECTION 4. Except as provided in Arkansas Code § 26-37-204(a) and (b),
15 the Commissioner of State Lands, as well as the county from which the
16 property is certified, shall be immune from liability for damages, costs,
17 fees, or compensation for improvements made to the property arising from the
18 sale of tax delinquent property even if the sale is found to be invalid or
19 void as a result of error by the Commissioner of State Lands or the county.

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21 SECTION 5. This act shall apply to negotiated sales of tax forfeited
22 property that occur on or after October 1, 2003.

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