

1 State of Arkansas
2 94th General Assembly
3 Regular Session, 2023
4

A Bill

HOUSE BILL 1224

5 By: Representative Bentley
6 By: Senator G. Stubblefield
7

For An Act To Be Entitled

9 AN ACT TO AMEND THE LAW CONCERNING THE REDEMPTION OR
10 SALE OF TAX-DELINQUENT PROPERTY; TO ALLOW A
11 REDEMPTION DEED OR SALE DEED TO BE CANCELED IF THE
12 PAYMENT INSTRUMENT USED TO REDEEM OR PURCHASE TAX-
13 DELINQUENT PROPERTY FAILS OR IS DISHONORED; TO
14 PROVIDE A PENALTY FOR DISHONORED PAYMENT INSTRUMENTS
15 USED TO REDEEM OR PURCHASE TAX-DELINQUENT PROPERTY;
16 AND FOR OTHER PURPOSES.
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Subtitle

19 TO ALLOW A REDEMPTION DEED OR SALE DEED
20 TO BE CANCELED AND A PENALTY IMPOSED IF
21 THE PAYMENT INSTRUMENT USED TO REDEEM OR
22 PURCHASE TAX-DELINQUENT PROPERTY FAILS OR
23 IS DISHONORED.
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27 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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29 SECTION 1. Arkansas Code Title 26, Chapter 37, Subchapter 3, is
30 amended to add an additional section to read as follows:

31 26-37-317. Dishonored payment instruments – Penalty.

32 (a) As used in this section, "payment instrument" means a check,
33 draft, order of payment, debit card order, electronic funds transfer, or
34 other acceptable form of payment that is authorized by rule by the
35 Commissioner of State Lands to be used for payment.

36 (b) The Commissioner of State Lands may cancel, set aside, and hold



1 for naught a redemption deed or sale deed he or she issued for a tax-
 2 delinquent parcel if:

3 (1) The payment instrument tendered to and accepted by the
 4 Commissioner of State Lands in payment of the redemption amount or purchase
 5 price of a tax-delinquent parcel is refused by the drawee because of
 6 insufficient funds, insufficient credit, or lack of an account;

7 (2) The maker or drawer stops payment on the payment instrument
 8 tendered to and accepted by the Commissioner of State Lands in payment of the
 9 redemption amount or purchase price of a tax-delinquent parcel; or

10 (3) The payment instrument tendered to and accepted by the
 11 Commissioner of State Lands in payment of the redemption amount or purchase
 12 price of a tax-delinquent parcel is otherwise dishonored.

13 (c) Upon the failure or dishonor of a payment instrument tendered to
 14 and accepted by the Commissioner of State Lands in payment of the redemption
 15 amount or purchase price of a tax-delinquent parcel, the Commissioner of
 16 State Lands may:

17 (1)(A) Issue a cancellation deed cancelling and setting aside
 18 the redemption deed or sale deed.

19 (B) The Commissioner of State Lands shall:

20 (i) File any cancellation deed issued under
 21 subdivision (c)(1)(A) of this section for record in the county in which the
 22 parcel is located; and

23 (ii) Pay the expense for filing a cancellation deed
 24 under subdivision (c)(1)(B)(i) of this section from the maintenance fund of
 25 the office of the Commissioner of State Lands; and

26 (2) Impose a penalty against the maker or drawer of the payment
 27 instrument in an amount equal to the greater of ten percent (10%) of the face
 28 value of the payment instrument or twenty dollars (\$20.00).

31 **APPROVED: 3/2/23**