

1 State of Arkansas  
2 93rd General Assembly  
3 Regular Session, 2021  
4

As Engrossed: H1/26/21 S3/2/21

# A Bill

HOUSE BILL 1229

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

## For An Act To Be Entitled

9 AN ACT TO AMEND THE PROCEDURE BY WHICH THE  
10 COMMISSIONER OF STATE LANDS SELLS TAX-DELINQUENT  
11 LAND; TO DECLARE AN EMERGENCY; AND FOR OTHER  
12 PURPOSES.  
13  
14

## Subtitle

16 TO AMEND THE PROCEDURE BY WHICH THE  
17 COMMISSIONER OF STATE LANDS SELLS TAX-  
18 DELINQUENT LAND; AND TO DECLARE AN  
19 EMERGENCY.  
20  
21

22 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
23

24 SECTION 1. Arkansas Code § 26-37-202 is amended to read as follows:  
25 26-37-202. Procedure to sell.

26 (a)(1) Bidders for parcels at a tax-delinquent property auction may  
27 bid at the sale or may submit their bids ~~mail their bid~~ to the office of the  
28 Commissioner of State Lands by mail or online.

29 (2) Bids shall be delivered at the appropriate place or by the  
30 appropriate method before the deadline established in the notice of the ~~sale~~  
31 tax-delinquent property auction.

32 (3) The Commissioner of State Lands shall conduct a tax-  
33 delinquent property auction under this subsection in person under  
34 subdivisions (c)(1) and (c)(2) if this section.

35 (4)(A) An individual or entity whose home of record is outside  
36 the United States is prohibited from purchasing tax-delinquent property



1 certified to the Commissioner of State Lands.

2 (B) Effective July 1, 2021, in the event it is determined  
3 that a tax-delinquent parcel previously certified to the Commissioner of  
4 State Lands has been purchased by an individual or entity whose home of  
5 record is outside the United States:

6 (i) The deed shall be cancelled by the Commissioner  
7 of State Lands within three (3) business days of the determination;

8 (ii) Any and all moneys originally paid to the  
9 Commissioner of State Lands for the parcel are immediately forfeited to the  
10 Commissioner of State Lands; and

11 (iii) The parcel is immediately considered certified  
12 to the Commissioner of State Lands as tax-delinquent.

13 (b)(1)(A) If at the scheduled ~~public sale~~ tax-delinquent property  
14 auction a person or entity does not bid at least the amount of delinquent  
15 taxes, penalties, interest, and the costs of the sale, the Commissioner of  
16 State Lands may ~~offer to sell tax-delinquent land at a post-auction private~~  
17 ~~sale~~ an unsold-property auction.

18 (B) The Commissioner of State Lands may conduct an unsold-  
19 property auction under subdivision (b)(1)(A) of this section online.

20 (2)(A) If tax-delinquent land is offered at a ~~post-auction~~  
21 ~~private sale~~ an unsold-property auction within the first two (2) years  
22 following the ~~public sale~~ tax-delinquent property auction under ~~subdivision~~  
23 ~~(b)(1)~~ subsection (a) of this section, the tax-delinquent land shall be  
24 offered for at least the amount of the delinquent taxes, penalties, interest,  
25 and the costs of the sale.

26 (B)(i) If tax-delinquent land is offered two (2) years or  
27 more following the ~~public sale~~ tax-delinquent property auction under  
28 ~~subdivision (b)(1)~~ subsection (a) of this section, the sale of the tax-  
29 delinquent land may be negotiated at a price the Commissioner of State Lands  
30 determines to be in the best interest of the state and the local taxing  
31 units.

32 (ii) The Commissioner of State Lands may conduct a  
33 negotiated-price sale under subdivision (b)(2)(B)(i) of this section  
34 online.

35 (3) The Commissioner of State Lands shall submit quarterly  
36 reports to the Legislative Council or, if the General Assembly is in session,

1 the Joint Budget Committee, listing all tax-delinquent land sold at a ~~post-~~  
2 ~~auction private sale~~ an unsold-property auction or a negotiated-price sale  
3 under this section.

4 (c)(1) Except as provided in subdivision (c)(2) of this section, when  
5 the Commissioner of State Lands ~~shall conduct~~ conducts an in-person tax-  
6 ~~delinquent sales~~ property auction, the in-person tax-delinquent property  
7 auction shall take place in the county where the land is located.

8 (2) If the Commissioner of State Lands determines that  
9 sufficient parcels of land located in one (1) county do not exist to justify  
10 ~~a single~~ an in-person sale in one (1) county, the Commissioner of State Lands  
11 may hold ~~a~~ an in-person tax-delinquent ~~land sale~~ property auction or in one  
12 (1) location and sell land located in more than one (1) county if the  
13 *counties are adjoining counties.*

14 (3) Unsold-property auctions and negotiated-price auctions are  
15 exempt from subdivisions (c)(1) and (c)(2) of this section.

16 (d) The ~~sales~~ auctions under this section shall be conducted on the  
17 dates specified in the notices required by this subchapter.

18 (e)(1) After a sale of the land by the Commissioner of State Lands,  
19 ~~including a post-auction private sale~~ regardless of whether the sale occurred  
20 at a tax-delinquent property auction, an unsold-property auction, or a  
21 negotiated-price sale, the Commissioner of State Lands shall notify the owner  
22 and all interested parties of the right to redeem the land within ten (10)  
23 days, excluding Saturdays, Sundays, and legal holidays, after the date of the  
24 sale by paying all taxes, penalties, interest, and costs due, including the  
25 cost of the notice.

26 (2) The notice under subdivision (e)(1) of this section shall be  
27 sent by regular mail to the last known address of the owner and all  
28 interested parties.

29 (3) If the land is not redeemed, a limited warranty deed shall  
30 be issued by the Commissioner of State Lands to the purchaser.

31 (f) As used in this section, “owner” and “interested party” ~~has~~ have  
32 the same meaning as in § 26-37-301.

33 (g) The Commissioner of State Lands shall promulgate rules to carry  
34 out the provisions of this section.

35  
36 SECTION 2. Arkansas Code § 26-37-203(b)(1), concerning the limitations

1 period to contest the validity of a sale of tax-delinquent land, is amended  
2 to read as follows:

3 (b)(1) Except as provided in subdivision (b)(2) of this section, an  
4 action to contest the validity of a conveyance under this section or a  
5 ~~negotiated~~ negotiated-price sale under § 26-37-202 is barred if not commenced  
6 within ninety (90) days after the date of the conveyance.

7  
8 SECTION 3. EMERGENCY CLAUSE. It is found and determined by the  
9 General Assembly of the State of Arkansas that certain provisions of the  
10 Arkansas Code authorizing the Commissioner of State Lands to conduct in-  
11 person auctions of tax-delinquent properties are in need of revision and  
12 updating to allow for online auctions of tax-delinquent properties; that due  
13 to coronavirus 2019 (COVID-19) and to the inability to hold online auctions,  
14 no tax-delinquent properties have been sold for the calendar years 2020 or  
15 2021; that holding tax-delinquent property auctions are of great importance  
16 to counties and school districts in Arkansas; and that the immediate creation  
17 and implementation of an online tax-delinquent property auction process is  
18 necessary to maintain an orderly system of returning tax-delinquent  
19 properties to the tax rolls of this state. Therefore, an emergency is  
20 declared to exist, and this act being immediately necessary for the  
21 preservation of the public peace, health, and safety shall become effective  
22 on:

23 (1) The date of its approval by the Governor;

24 (2) If the bill is neither approved nor vetoed by the Governor,  
25 the expiration of the period of time during which the Governor may veto the  
26 bill; or

27 (3) If the bill is vetoed by the Governor and the veto is  
28 overridden, the date the last house overrides the veto.

29  
30 /s/Bentley  
31  
32  
33  
34  
35  
36