

ARKANSAS SENATE
83rd General Assembly - Regular Session, 2001
Amendment Form

Subtitle of Senate Bill No. 911

"AN ACT AMENDING THE TARGETED NEIGHBORHOOD ENHANCEMENT PLAN ACT
TO PROVIDE FOR A STATUTORY LEIN AGAINST THE PROPERTY UPON DEFAULT OF
CONTRACT FOR REPAYMENT TO THE MUNICIPALITY OF THE AMOUNT OF FUNDS
PROVIDED."

Amendment No. 2 to Senate Bill No. 911.

Amend Senate Bill No. 911 as engrossed, S3/21/01:

Delete the Subtitle and substitute the following:

"AN ACT TO PROVIDE A STATUTORY LIEN AND FORECLOSURE PROCEDURE TO MUNICIPALITIES TO RECOVER FUNDS EXPENDED UPON DEFAULT OF CONTRACTS UNDER THE TARGETED NEIGHBORHOOD ENHANCEMENT PLAN ACT; AND FOR OTHER PURPOSES."

Delete the Subtitle and substitute the following:

"AN ACT TO PROVIDE A STATUTORY LIEN AND FORECLOSURE PROCEDURE TO MUNICIPALITIES TO RECOVER FUNDS EXPENDED UPON DEFAULT OF CONTRACTS UNDER THE TARGETED NEIGHBORHOOD ENHANCEMENT PLAN ACT."

AND

Delete Section 1 of the bill and substitute the following:

"SECTION 1. Arkansas Code 14-169-1107 is amended to read as follows:
14-169-1107. Foreclosure.

(a) If an individual, under contract with the municipality, fails to fulfill the commitment to stay live within the residential structure for the contract period, the municipality, after proper notice, may foreclose on the property file a lien against the real property in the amount of the contract plus costs of foreclosure.

(b) The municipality shall be entitled to collect the amount of the contract, plus any costs of collection including attorneys' fees, by either of the following methods:

(1) By filing an action to foreclose the lien plus costs at any time within one (1) year of the date that the municipality has notice that the resident owner moved out of the structure in breach of contract with the municipality. In such case, the date the municipality filed the shall determine its priority in relation to other liens against the property; or

(2) If the legislative body of the municipality determines that

it is in the best interests of the municipality to do so, the amount of the lien provided for above may be collected by the county clerk in the same manner as property taxes if the municipality has filed the contract in the real estate records of the county in which the property is located. In such case, the date of filing of the contract determines the priority of the lien. In order to pursue this remedy, the municipality shall set forth the exact amount of the lien, with costs, in a resolution adopted at a hearing before the governing body of the municipality in accordance with the following procedure:

(i) The hearing shall be held not less than thirty (30) days after receipt of written notice by certified mail, with restricted delivery and return receipt requested, to the owner of the property if the name and whereabouts of the owner are known.

(ii) If the name and whereabouts of the owner cannot be determined, or if restricted delivery of certified mail is not accomplished, then the hearing to determine the amount shall be held not less than fourteen (14) days after publication of notice of the hearing in a newspaper having a bona fide circulation in the county where the property is located for one (1) insertion per week for four (4) consecutive weeks.

(iii) The amount so determined at the hearing, plus ten percent (10%) penalty for collection, shall be certified by the governing body of the municipality to the tax collector of the county where the municipality is located, and placed by the collector on the tax books as delinquent taxes and collected accordingly. The amount, less three percent (3%) thereof, when so collected shall be paid to the municipality by the county tax collector."

The Amendment was read the first time, rules suspended and read the second time and _____

**By: Senator B. Walker
DF/CDS - 032820011512
CDS480**

Secretary