

**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.**

INTERIM STUDY PROPOSAL 2007-070

1  
2 State of Arkansas  
3 86th General Assembly  
4 Regular Session, 2007

# A Bill

HOUSE BILL 2519

5  
6 By: Representative Ragland

7 Referred to  
8 Agriculture, Forestry & Economic Development- House  
9 by the House of Representatives  
10 on 03/09/2007  
11

## For An Act To Be Entitled

12  
13 AN ACT TO PROMOTE THE PURCHASE OF TAX DELINQUENT  
14 MINERAL INTERESTS; AND FOR OTHER PURPOSES.  
15

### Subtitle

16  
17 AN ACT TO PROMOTE THE PURCHASE OF TAX  
18 DELINQUENT MINERAL INTERESTS.  
19  
20  
21

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

24 SECTION 1. Arkansas Code § 26-37-314 is amended to read as follows:

25 26-37-314. Sale of tax delinquent severed mineral interests prohibited.

26 (a)(1) When severed mineral interests are forfeited to the state and  
27 conveyed by certification to the Commissioner of State Lands for nonpayment  
28 of property taxes, title to the severed mineral interests shall vest in the  
29 State of Arkansas in the care of the Commissioner of State Lands.

30 (2) The Commissioner of State Lands shall so notify the owner of  
31 record by certified mail at his or her last known address.

32 (3)(A) ~~Except as provided in subsection (b) of this section, the~~  
33 ~~Commissioner of State Lands shall not sell the severed mineral interests but~~  
34 ~~shall retain the severed mineral interests indefinitely for redemption.~~

35 ~~(B) However, the~~ The severed mineral interests may be  
36 leased by the Commissioner of State Lands if he or she determines that a

1 lease is in the best interest of the state.

2 ~~(C)~~(B) All benefits, including royalty and leasehold  
3 payments, accruing after title vests in the state and before redemption or  
4 purchase shall be payable to the Commissioner of State Lands.

5 ~~(D)~~(C) Upon receipt of any such benefits, the Commissioner  
6 of State Lands shall deposit the funds into financial institutions in this  
7 state.

8 (4)(A) ~~The~~ Except as provided in subsection (b) of this section,  
9 tax-delinquent severed mineral interests may be redeemed or purchased at any  
10 time in the manner prescribed for the redemption or purchase of tax-  
11 delinquent real property.

12 (B) However, upon redemption or purchase the owner shall  
13 not be entitled to any payments received by the Commissioner of State Lands  
14 before the redemption or purchase.

15 (5) All funds derived from redemption or purchase of tax-  
16 delinquent severed mineral interests shall be held in escrow by the  
17 Commissioner of State Lands for one (1) year, at which time they shall be  
18 distributed the same as funds derived from the redemption or purchase of tax-  
19 delinquent real property.

20 (b)(1)(A) After the expiration of the redemption period prescribed by  
21 this subchapter, the Commissioner of State Lands shall sell the severed  
22 mineral interests to the surface owners if the surface owners opt to purchase  
23 the tax-delinquent severed mineral interests.

24 (B) A surface owner may purchase the part of the tax-  
25 delinquent severed mineral interest directly beneath the surface owner's  
26 property by paying the portion of the tax delinquency attributable to the  
27 part of the tax-delinquent severed mineral interest directly beneath the  
28 surface owner's property as determined by the county assessor.

29 (C) Upon a purchase under subdivision (b)(1)(B) of this  
30 section the Commissioner of State Lands shall:

31 (i) Deliver a tax deed to the purchaser that  
32 contains a legal description of:

33 (a) The entire tax-delinquent severed mineral  
34 interest; and

35 (b) The portion of the tax-delinquent severed  
36 mineral interest conveyed to the purchaser; and



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