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	INTERIM STUDY PROPOSAL 2007-070
2	State of Arkansas
3	86th General Assembly A Bill
4	Regular Session, 2007 HOUSE BILL 2519
5	
6	By: Representative Ragland
7	Referred to
8	Agriculture, Forestry & Economic Development- House
9	by the House of Representatives
0	on 03/09/2007
11	
12	
13	For An Act To Be Entitled
14	AN ACT TO PROMOTE THE PURCHASE OF TAX DELINQUENT
15	MINERAL INTERESTS; AND FOR OTHER PURPOSES.
16	
17	Subtitle
8	AN ACT TO PROMOTE THE PURCHASE OF TAX
9	DELINQUENT MINERAL INTERESTS.
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 <u>The</u> severed mineral interests may be
36	leased by the Commissioner of State Lands if he or she determines that a

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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 <u>or purchased</u> 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 <u>the</u> redemption <u>or purchase</u> .
15	(5) All funds derived from redemption or purchase of tax-
16	<u>delinquent severed mineral interests</u> 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 $\underline{\text{or purchase}}$ of $\underline{\text{tax-}}$
19	<u>delinquent</u> real property.
20	(b)(1) $\underline{(A)}$ 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

	<u>(i</u>	ii)	Conti nue	to	hol d	the	remai ni	ng t	ax-delinq	uent
severed mineral	interest 1	for	redempti or	ı or	porc	hase	under	thi s	s section.	

- (2) The surface owner purchasing severed mineral interests under subdivision (b)(1) of this section shall be allowed to purchase the severed mineral interests for an amount equal to the delinquent taxes attributable to the part of the tax-delinquent severed mineral interest directly beneath the surface owner's property as determined by the County Assessor and shall not be required to pay any interest or penalties if the surface owner was not the owner of the severed mineral interests at the time the taxes became delinquent.
- (c) All benefits, including royalty and leasehold payments, payable to the Commissioner of State Lands pursuant to this section are not subject to the provisions of § 18-28-201 et seq. and § 18-28-401 et seq.
- (d) The provisions of this section shall be applicable to all taxdelinquent severed mineral interests currently forfeited to the state and certified to the Commissioner of State Lands as well as to all tax-delinquent severed mineral interests forfeited to the state in the future.
- (e)(1) No deed issued under this section shall be void or voidable on the ground that the assessment of the property taxes on the severed mineral interests was not subjoined to the assessment of the property taxes on the surface realty.
- (2) This subsection shall be retroactive to all certifications of delinquent severed mineral interests in the records of the office of the Commissioner of State Lands.

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