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, 2007HOUSE BILL2519
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	
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
18	AN ACT TO PROMOTE THE PURCHASE OF TAX
19	DELINQUENT MINERAL INTERESTS.
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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-delinguent 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-delinguent 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-delinguent severed

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mineral interest conveyed to the purchaser; and

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1	(ii) Continue to hold the remaining tax-delinquent
2	severed mineral interest for redemption or porchase under this section.
3	(2) The surface owner purchasing severed mineral interests under
4	subdivision (b)(1) of this section shall be allowed to purchase the severed
5	mineral interests for an amount equal to the delinquent taxes attributable to
6	the part of the tax-delinquent severed mineral interest directly beneath the
7	surface owner's property as determined by the County Assessor and shall not
8	be required to pay any interest or penalties if the surface owner was not the
9	owner of the severed mineral interests at the time the taxes became
10	del i nquent.
11	(c) All benefits, including royalty and leasehold payments, payable to
12	the Commissioner of State Lands pursuant to this section are not subject to
13	the provisions of § 18-28-201 et seq. and § 18-28-401 et seq.
14	(d) The provisions of this section shall be applicable to all tax-
15	delinquent severed mineral interests currently forfeited to the state and
16	certified to the Commissioner of State Lands as well as to all tax-delinquent
17	severed mineral interests forfeited to the state in the future.
18	(e)(1) No deed issued under this section shall be void or voidable on
19	the ground that the assessment of the property taxes on the severed mineral
20	interests was not subjoined to the assessment of the property taxes on the
21	surface real ty.
22	(2) This subsection shall be retroactive to all certifications
23	of delinquent severed mineral interests in the records of the office of the
24	Commissioner of State Lands.
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