

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 State of Arkansas As Engrossed: S3/21/01,S3/28/01 H4/10/01

2 83rd General Assembly

A Bill

3 Regular Session, 2001

SENATE BILL 911

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5 By: Senator B. Walker

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For An Act To Be Entitled

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AN ACT TO PROVIDE A STATUTORY LIEN AND

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FORECLOSURE PROCEDURE TO MUNICIPALITIES TO

11

RECOVER FUNDS EXPENDED UPON DEFAULT OF CONTRACTS

12

UNDER THE TARGETED NEIGHBORHOOD ENHANCEMENT PLAN

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ACT; AND FOR OTHER PURPOSES.

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Subtitle

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AN ACT TO PROVIDE A STATUTORY LIEN AND

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FORECLOSURE PROCEDURE TO MUNICIPALITIES TO

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RECOVER FUNDS EXPENDED UPON DEFAULT OF

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CONTRACTS UNDER THE TARGETED NEIGHBORHOOD

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ENHANCEMENT PLAN ACT.

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

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

26 14-169-1107. Foreclosure.

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

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

35 (1) By filing an action to foreclose the lien plus costs at any
36 time within one (1) year of the date that the municipality has notice that

1 the resident owner moved out of the structure in breach of contract with the
2 municipality. In such case, the date the municipality filed the lien shall
3 determine its priority in relation to other liens against the property; or
4 (2) If the legislative body of the municipality determines that
5 it is in the best interests of the municipality to do so, the amount of the
6 lien provided for above may be collected by the county clerk in the same
7 manner as property taxes if the municipality has filed the contract in the
8 real estate records of the county in which the property is located. In such
9 case, the date of filing of the contract determines the priority of the lien.
10 In order to pursue this remedy, the municipality shall set forth the exact
11 amount of the lien, with costs, in a resolution adopted at a hearing before
12 the governing body of the municipality in accordance with the following
13 procedure:

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

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

24 (iii) The amount so determined at the hearing, plus ten
25 percent (10%) penalty for collection, shall be certified by the governing
26 body of the municipality to the tax collector of the county where the
27 municipality is located, and placed by the collector on the tax books as
28 delinquent taxes and collected accordingly. The amount, less three percent
29 (3%) thereof, when so collected shall be paid to the municipality by the
30 county tax collector.

31 /s/ B. Walker
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