

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
2 84th General Assembly
3 Regular Session, 2003
4

As Engrossed: S3/26/03

A Bill

SENATE BILL 75

5 By: Senator G. Jeffress
6

For An Act To Be Entitled

8 AN ACT TO ALLOW THE SURFACE OWNER OF PROPERTY TO
9 PURCHASE THE TAX DELINQUENT SEVERED MINERAL
10 RIGHTS TO THEIR PROPERTY; AND FOR OTHER PURPOSES.

Subtitle

11
12 AN ACT TO ALLOW THE SURFACE OWNER OF
13 PROPERTY TO PURCHASE THE TAX DELINQUENT
14 SEVERED MINERAL RIGHTS TO THEIR
15 PROPERTY.
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19 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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21 SECTION 1. Arkansas Code § 26-37-314 is amended to read as follows:

22 26-37-314. Sale of tax delinquent severed mineral interests
23 prohibited.

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

28 (2) The Commissioner shall so notify the owner of record by
29 certified mail at his last known address.

30 (3)(A) The Commissioner shall not sell, except as provided in
31 subsection (b) of this section, the severed mineral interests but shall
32 retain the same indefinitely for redemption.

33 (B) However, the severed mineral interests may be leased
34 by the Commissioner if the Commissioner determines such lease is in the best
35 interest of the state.

36 (C) All benefits, including royalty and leasehold



1 payments, accruing after title vests in the state and before redemption shall
2 be payable to the Commissioner of State Lands.

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

6 (4) The tax-delinquent severed mineral interests may be redeemed
7 at any time in the manner prescribed for the redemption of tax-delinquent
8 real property; provided, however, that, upon redemption, the owner shall not
9 be entitled to any payments received by the Commissioner prior to redemption.

10 (5) All funds derived from redemption shall be held in escrow by
11 the Commissioner for one (1) year, at which time they shall be distributed
12 the same as funds derived from the redemption of real property.

13 ~~(b)(1) When at least twenty five percent (25%) of tax delinquent~~
14 ~~severed mineral interests are owned by one (1) person, or a group of persons~~
15 ~~related within the first degree of consanguinity, or a legal entity, the~~ The
16 Commissioner shall, after the expiration of the redemption period prescribed
17 by § 26-37-301 et seq., sell the severed mineral interests to the surface
18 owners if the surface owners opt to purchase the tax-delinquent severed
19 mineral interest.

20 (2) The surface owner purchasing mineral interests under
21 subdivision (b)(1) of this subsection shall be allowed to purchase the
22 mineral interests for an amount equal to the delinquent taxes, and shall not
23 be required to pay any interest or penalties, if the surface owner was not
24 the owner of the mineral interests at the time the taxes became delinquent.

25 (c) All benefits, including royalty and leasehold payments, payable to
26 the Commissioner of State Lands pursuant to this section are not subject to
27 the provisions of §§ 18-28-201 - 18-28-232 and §§ 18-28-401 - 18-28-403.

28 (d) The provisions of this section shall be applicable to all tax-
29 delinquent severed mineral interests currently forfeited to the state and
30 certified to the Commissioner of State Lands, as well as to all tax-
31 delinquent severed mineral interests forfeited to the state hereafter.

32 (e)(1) No deed issued under this section shall be void or voidable on
33 the ground that the assessment of the property taxes on the severed mineral
34 interest was not subjoined to the assessment of the property taxes on the
35 surface realty.

36 (2) This subsection (e) shall be retroactive to all

1 certifications of delinquent mineral interests on the records of the
2 Commissioner of State Lands office.

3 /s/ G. Jeffress

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