

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 86th General Assembly
3 Regular Session, 2007
4

A Bill

HOUSE BILL 2519

5 By: Representative Ragland
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For An Act To Be Entitled

9 AN ACT TO PROMOTE THE PURCHASE OF TAX DELINQUENT
10 MINERAL INTERESTS; AND FOR OTHER PURPOSES.
11

Subtitle

13 AN ACT TO PROMOTE THE PURCHASE OF TAX
14 DELINQUENT MINERAL INTERESTS.
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17 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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19 SECTION 1. Arkansas Code § 26-37-314 is amended to read as follows:

20 26-37-314. Sale of tax delinquent severed mineral interests prohibited.

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

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

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

30 ~~(B) However, the~~ The severed mineral interests may be
31 leased by the Commissioner of State Lands if he or she determines that a
32 lease is in the best interest of the state.

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

36 ~~(D)(C)~~ Upon receipt of any such benefits, the Commissioner



1 of State Lands shall deposit the funds into financial institutions in this
 2 state.

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

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

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

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

19 (B) A surface owner may purchase the part of the tax-
 20 delinquent severed mineral interest directly beneath the surface owner's
 21 property by paying the portion of the tax delinquency attributable to the
 22 part of the tax-delinquent severed mineral interest directly beneath the
 23 surface owner's property as determined by the county assessor.

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

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

28 (a) The entire tax-delinquent severed mineral
 29 interest; and

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

32 (ii) Continue to hold the remaining tax-delinquent
 33 severed mineral interest for redemption or purchase under this section.

34 (2) The surface owner purchasing severed mineral interests under
 35 subdivision (b)(1) of this section shall be allowed to purchase the severed
 36 mineral interests for an amount equal to the delinquent taxes attributable to

1 the part of the tax-delinquent severed mineral interest directly beneath the
2 surface owner's property as determined by the County Assessor and shall not
3 be required to pay any interest or penalties if the surface owner was not the
4 owner of the severed mineral interests at the time the taxes became
5 delinquent.

6 (c) All benefits, including royalty and leasehold payments, payable to
7 the Commissioner of State Lands pursuant to this section are not subject to
8 the provisions of § 18-28-201 et seq. and § 18-28-401 et seq.

9 (d) The provisions of this section shall be applicable to all tax-
10 delinquent severed mineral interests currently forfeited to the state and
11 certified to the Commissioner of State Lands as well as to all tax-delinquent
12 severed mineral interests forfeited to the state in the future.

13 (e)(1) No deed issued under this section shall be void or voidable on
14 the ground that the assessment of the property taxes on the severed mineral
15 interests was not subjoined to the assessment of the property taxes on the
16 surface realty.

17 (2) This subsection shall be retroactive to all certifications
18 of delinquent severed mineral interests in the records of the office of the
19 Commissioner of State Lands.

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