

State of Arkansas  
86th General Assembly  
Regular Session, 2007

# A Bill

HOUSE BILL 2777

By: Representative Schulte

## For An Act To Be Entitled

AN ACT TO REGULATE THE ASSESSMENT AND COLLECTION  
OF TAXES ON MINERAL RIGHTS; AND FOR OTHER  
PURPOSES.

## Subtitle

TO REGULATE THE ASSESSMENT AND  
COLLECTION OF TAXES ON MINERAL RIGHTS.

BBY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

SECTION 1. Arkansas Code § 26-26-1110 is amended to read as follows:  
26-26-1110. Mineral rights.

(a)(1)(A) When the mineral rights in any land shall, by conveyance or otherwise, be held by one (1) or more persons, and the fee simple in the land by one (1) or more other persons, it shall be the duty of the assessor when advised of the fact, either by personal notice or by recording of the deeds in the office of the recorder of the county, to assess the mineral rights in the lands separate from the general property therein.

(B) The amount of the assessment shall be based upon the value of the mineral right under guidelines established by the Director of the Assessment Coordination Department.

(C) The guidelines described in subdivision (a)(1)(B) of this section established by the Director of the Assessment Coordination Department shall include at a minimum the value of the mineral right:

- (i) As a burden on the surface estate;
- (ii) Inherent as an interest in real property;
- (iii) Based upon future discoveries of mineral



deposits or advances in technology that make it economically feasible to extract mineral deposits previously considered difficult or impossible to reach; and

(iv) For the production of minerals.

(2) In such case a sale of the mineral rights for nonpayment of taxes shall not affect the title to the land itself, nor shall a sale of the land for nonpayment of taxes affect the title to the mineral rights.

(b) When any mineral rights assessed as set out in subsection (a) of this section become forfeited on account of nonpayment of taxes, they shall, in all things, be certified to and redeemed in the same manner as is provided for the certification and redemption of real estate upon which taxes duly assessed have not been paid.

SECTION 2. Arkansas Code § 26-35-607 is repealed.

~~26-35-607. Cost of collecting tax.~~

~~(a) If the cost of collecting the ad valorem tax on mineral interests exceeds the annual tax on the mineral interest, then the tax shall not be billed or collected and no tax shall be owed. However, the collector shall record the amount of the tax for accounting purposes.~~

~~(b) As used in this section, the cost of collecting the ad valorem tax on mineral interests shall be the amount determined by the Director of the Assessment Coordination Division of the Department of Finance and Administration as being a reasonable amount for the cost of collection.~~