

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

# A Bill

SENATE BILL 373

4  
5 By: Senators Brown, Steele, Madison, Wilkins, Salmon  
6 By: Representatives D. Johnson, Adcock, Webb, Allen, T. Baker, Chesterfield, Davis, J. Johnson,  
7 Rainey, Overbey

## For An Act To Be Entitled

11 AN ACT TO AMEND VARIOUS STATUTES PERTAINING TO  
12 TAX DELINQUENT PROPERTY; AND FOR OTHER PURPOSES.

## Subtitle

15 AN ACT TO AMEND VARIOUS STATUTES  
16 PERTAINING TO TAX DELINQUENT PROPERTY.

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

21 SECTION 1. Arkansas Code § 26-26-201(a)(1), concerning delinquent  
22 assessments, is amended to read as follows:

23 (a)(1)(A) There shall be a penalty ~~of ten percent (10%)~~ as prescribed  
24 by § 26-37-302 of all taxes due on all persons and property delinquent in  
25 assessment.

26 (B) Where the penalty ~~of ten percent (10%) of the amount~~  
27 ~~of all taxes due~~ shall amount to less than one dollar (\$1.00), the penalty  
28 shall be arbitrarily fixed at one dollar (\$1.00).

30 SECTION 2. Arkansas Code § 26-37-202, concerning procedure to sell  
31 tax-delinquent lands, is amended by adding additional subsections to read as  
32 follows:

33 (f)(1) Notwithstanding any other law to the contrary, at any time  
34 after the first attempt to sell the property at public auction, the  
35 Commissioner of State Lands may donate, with or without charge, the property  
36 to any city or town if requested by the city or town.



1           (2) Land donated by the Commissioner of State Lands under this  
 2 section may be used for any lawful purpose or transferred pursuant to any  
 3 lawful authority of the city or town.

4           (3) Owners of property donated to a city or town under this  
 5 section shall not have any right to return any of the appraised value of the  
 6 property.

7           (g) Prior to conveyance of property, the Commissioner of State Lands  
 8 shall give consideration to the following issues:

9           (1) Whether the prospective purchaser has a pattern or practice  
 10 of not paying fines resulting from a citation for violation of state laws or  
 11 regulations or local codes and ordinances;

12           (2) Whether the prospective purchaser has a pattern or practice  
 13 of not timely paying property taxes; and

14           (3) Whether the prospective purchaser was the prior owner of  
 15 real property that was transferred to the Commissioner of State Lands as a  
 16 result of tax delinquency during the preceding three (3) years.

17  
 18           SECTION 3. Arkansas Code § 26-37-203 is amended to read as follows:

19           (a) If the tax-delinquent land is not redeemed within the thirty-day  
 20 period, the Commissioner of State Lands shall issue a limited warranty deed  
 21 to the land.

22           (b)(1) Except as provided in subdivisions (b)(2) ~~and (3)~~ of this  
 23 section, all actions to contest the validity of the conveyance shall be  
 24 brought within ~~two (2) years~~ ninety (90) days after the date of the  
 25 conveyance or thereafter be barred.

26           (2) A cause of action by a person suffering a mental incapacity,  
 27 a minor, or a person serving in the United States armed forces during time of  
 28 war during the two-year period shall be brought within two (2) years after  
 29 the disability is removed, the minor reaches majority, or the person is  
 30 released from active duty with the armed forces.

31           ~~(3) An action to challenge the conveyance to a purchaser of land~~  
 32 ~~that was sold at a negotiated sale under § 26-37-101 shall be brought within~~  
 33 ~~ninety (90) days after the date of the conveyance or thereafter be barred.~~

34           (c) No deed issued after January 1, 1987, by the Commissioner of State  
 35 Lands shall be void or voidable on the ground that the county did not  
 36 strictly comply with the laws governing tax-delinquent land if prior to the

1 issuance of the deed the Commissioner of State Lands complied with the laws  
 2 governing the disposition of tax-delinquent land.

3 (d)(1) Nothing in this section shall prevent any taxpayer from  
 4 attacking a deed issued by the Commissioner of State Lands on the ground that  
 5 taxes have actually been paid.

6 (2) However, after the expiration of the challenge period  
 7 otherwise specified in this chapter, a person challenging the conveyance on  
 8 the grounds that taxes had actually been paid is only entitled to monetary  
 9 damages in the amount equal to the value of the property at the time of  
 10 conveyance plus taxes paid.

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 12 SECTION 4. Arkansas Code § 26-37-209 is amended to read as follows:  
 13 26-37-209. Compensation for improvements.

14 (a)(1) ~~Except as provided in subdivision (a)(2) of this section, no~~ No  
 15 purchaser under this chapter of any land or town lot or city lot nor any  
 16 person claiming under him or her shall be entitled to any compensation for  
 17 any improvement that he or she shall make on the land or town lot or city lot  
 18 within ~~two (2) years from and after the sale of the land or town lot or city~~  
 19 ~~lot~~ the time frame established in § 26-37-203.

20 (2) No purchaser of land that was sold at a negotiated sale  
 21 under § 26-37-101 shall be entitled to any compensation for any improvement  
 22 that he or she makes to the land within ~~ninety (90) days after the date of the~~  
 23 ~~sale~~ the time frame established in § 26-37-203.

24 (b)(1) ~~Except as provided in subdivision (b)(2) of this section for~~  
 25 For an improvement made ~~after two (2) years from the date of sale~~ after the  
 26 expiration of the time frame established in § 26-37-203, the purchaser under  
 27 this chapter shall be allowed the full cash value of the improvement, and the  
 28 allowance shall be a charge upon the land.

29 (2) For an improvement made after ~~ninety (90) days from the date~~  
 30 ~~of sale~~ the expiration of the time frame established in § 26-37-203 to a  
 31 subdivided lot that was purchased at a negotiated sale under § 26-37-202(b),  
 32 the purchaser shall be allowed the full cash value of the improvement, and  
 33 the allowance shall be a charge upon the land.

34  
 35 SECTION 5. Arkansas Code § 26-37-301(b), pertaining to tax foreclosure  
 36 sales, is amended to read as follows:

1 (b)(1) The notice to the owner or interested party shall also indicate  
2 that the tax-delinquent land will be sold if not redeemed prior to the date  
3 of sale.

4 (2) The notice shall also indicate the sale date, and that date  
5 shall be no earlier than ~~two (2) years~~ one (1) year after the land is  
6 certified to the Commissioner of State Lands.

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