

1 State of Arkansas
2 94th General Assembly
3 Regular Session, 2023
4

A Bill

HOUSE BILL 1191

5 By: Representative Richmond
6 By: Senator G. Stubblefield
7

For An Act To Be Entitled

9 AN ACT TO AMEND THE LAW CONCERNING MANAGEMENT AND
10 SALE OF TAX DELINQUENT LANDS BY THE COMMISSIONER OF
11 STATE LANDS; TO STANDARDIZE THE USE OF THE TERM
12 "PARCEL"; AND FOR OTHER PURPOSES.
13

Subtitle

14
15 TO AMEND THE LAW CONCERNING MANAGEMENT
16 AND SALE OF TAX DELINQUENT LANDS BY THE
17 COMMISSIONER OF STATE LANDS; AND TO
18 STANDARDIZE THE USE OF THE TERM "PARCEL".
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21

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

24 SECTION 1. Arkansas Code § 21-6-203(c), concerning the Commissioner of
25 State Lands and definitions, is amended to read as follows:

26 (c) All funds, including proceeds, rates, fees, and charges collected
27 by the Commissioner of State Lands, shall be deposited into a financial
28 institution in the state of Arkansas or United State Treasury Securities.
29

30 SECTION 2. Arkansas Code § 26-37-103 is amended to read as follows:
31 26-37-103. Verification by county assessor.

32 (a) Prior to certification to the Commissioner of State Lands, the
33 county assessor shall:

34 (1) Verify the assessment to establish value on all parcels to
35 be certified;

36 (2) Verify the name and last known address of the owner of



1 record of the tax-delinquent ~~land~~ parcel; and

2 (3) Determine whether the tax-delinquent ~~land~~ parcel exists.

3 (A) If the tax-delinquent parcel is found to exist,
 4 provide a valid legal description of the tax-delinquent parcel in compliance
 5 with §§ 26-26-717 and 26-26-719.

6 (B) If the parcel does not exist, the county assessor
 7 shall remove the delinquent entry from the assessment rolls.

8 ~~(b) If the land is found to be nonexistent, the county assessor shall~~
 9 ~~remove the delinquent entry from the assessment rolls.~~

10 ~~(c) No tax delinquent land shall be certified~~ A tax delinquent parcel
 11 shall not be transmitted by certification to the Commissioner of State Lands
 12 without the county assessor's verification.

13 (c) In the event the Commissioner of State Lands determines the tax-
 14 delinquent parcel is incorrectly certified for failure to meet the
 15 requirements of this section, the Commissioner of State Lands shall return
 16 the tax-delinquent parcel with the invalid certification to the county.

17
 18 SECTION 3. Arkansas Code § 26-37-201(a)(1), concerning the publication
 19 of notice and fee by the Commissioner of State Lands, is amended to read as
 20 follows:

21 (a)(1) The Commissioner of State Lands shall publish a notice of sale
 22 of ~~land~~ a parcel upon which the ad valorem property taxes have not been paid
 23 in a newspaper having general circulation in the county where the ~~land~~ parcel
 24 is located.

25
 26 SECTION 4. Arkansas Code § 26-37-201(b), concerning the publication of
 27 notice and fee by the Commissioner of State Lands, is amended to read as
 28 follows:

29 (b) The notice shall:

30 (1) ~~Contain the assessed value of the land;~~

31 ~~(2)~~ Contain the amount of taxes, interest, penalties, and other
 32 costs due on the ~~land~~ parcel;

33 ~~(3)(A)(2)(A)~~ Contain the name of the owner, the legal
 34 description, and parcel number of the ~~land~~ parcel.

35 (B) A part or abbreviated legal description shall be
 36 sufficient in the notice if the name of the owner and parcel number are

1 listed;

2 ~~(4)~~(3) Contain a list of all interested parties; and

3 ~~(5)~~(4) Indicate that the ~~land~~ parcel will be sold to the highest
 4 successful bidder if the bid is equal to at least the amount of delinquent
 5 taxes, penalties, interest, and the costs of the sale.

6

7 SECTION 5. Arkansas Code § 26-37-201(d), concerning the publication of
 8 notice and fee by the Commissioner of State Lands, is amended to read as
 9 follows:

10 (d)(1) Failure of the notice to contain the information required in
 11 subsection (b) of this section does not invalidate an auction sale of the
 12 ~~land~~ parcel unless an owner or interested party did not receive notice in
 13 substantial compliance with § 26-37-301.

14

15 SECTION 6. Arkansas Code § 26-37-205(a), concerning the distribution
 16 of funds by the Commissioner of State Lands, is amended to read as follows:

17 (a) All moneys collected by the Commissioner of State Lands from the
 18 sale or redemption of tax-delinquent ~~lands~~ parcels shall be distributed as
 19 follows:

20 (1)(A) First, to the Commissioner of State Lands, the penalties,
 21 the collection fees, the sale costs, and the other costs as prescribed by
 22 law.

23 (B) The sale costs include without limitation fees for
 24 title work;

25 (2) Second, to each county an amount equal to the taxes due plus
 26 interest and costs to the county as certified by the county collector, which
 27 amount shall be held in an escrow fund administered by and remitted to the
 28 county within one (1) calendar year of the receipt of the moneys by the
 29 Commissioner of State Lands;

30 (3)(A) Third, to each county an amount equal to the delinquent
 31 personal property taxes, plus penalty, of the owner or owners of the tax-
 32 delinquent ~~land~~ parcel as certified by the county collector, which amount
 33 shall be held in an escrow fund administered by and remitted to the county
 34 after one (1) calendar year of the receipt of the moneys by the Commissioner
 35 of State Lands.

36 (B) The Commissioner of State Lands shall review the

1 information provided by the county collector and any other interested party
 2 to ascertain:

3 (i) Whether the personal property tax and penalty
 4 qualifies to be withheld from the tax-delinquent ~~land~~ parcel sale proceeds;
 5 and

6 (ii) The amount of personal property tax and penalty
 7 that qualifies under this subdivision (a)(3) to be withheld.

8 (C) If the Commissioner of State Lands is required to make
 9 a refund of the personal property taxes withheld under subdivision (a)(3)(A)
 10 of this section to a purchaser of tax-delinquent ~~lands~~ parcels for any
 11 reason, the amount of the refund shall be recovered by the Commissioner of
 12 State Lands from the county or counties that originally received the proceeds
 13 under this subdivision (a)(3) of the tax-delinquent ~~land~~ parcel sale.

14 (D) The Commissioner of State Lands shall promulgate rules
 15 and forms needed to administer this subdivision (a)(3).

16 (E) This section does not require the Commissioner of
 17 State Lands to search county records to determine whether an owner of the
 18 tax-delinquent ~~land~~ parcel owes delinquent personal property taxes.

19 (F) This section does not grant a county a right to a lien
 20 against real property for the payment of delinquent personal property tax;

21 (4)(A) Fourth, to the Department of Finance and Administration
 22 an amount equal to the delinquent tax, penalty, and interest owed to the
 23 department and for which certificates of indebtedness have been filed against
 24 the owner or owners of the tax-delinquent ~~land~~ parcel as certified by the
 25 department, which amount shall be held in an escrow fund administered by and
 26 remitted to the department within one (1) calendar year after the receipt of
 27 the moneys by the Commissioner of State Lands.

28 (B) If the Commissioner of State Lands is required to make
 29 a refund of the taxes withheld under subdivision (a)(4)(A) of this section to
 30 a purchaser of tax-delinquent ~~lands~~ parcels for any reason, the amount of the
 31 refund shall be recovered by the Commissioner of State Lands from the
 32 department from the proceeds originally received under this subdivision
 33 (a)(4).

34 (C) The Commissioner of State Lands shall promulgate rules
 35 and forms needed to administer this subdivision (a)(4);

36 (5)(A) Fifth, to each county an amount equal to the delinquent

1 solid waste assessments, plus penalty and interest, of the owner or owners of
2 the tax-delinquent ~~land~~ parcel as certified by the county collector, which
3 amount shall be held in an escrow fund administered by and remitted to the
4 county after one (1) calendar year of the receipt of the moneys by the
5 Commissioner of State Lands.

6 (B) The Commissioner of State Lands shall review the
7 information provided by the county collector and any other interested party
8 to ascertain:

9 (i) Whether the amount of delinquent solid waste
10 assessment and penalty and interest qualifies to be withheld from the tax-
11 delinquent ~~land~~ parcel sale proceeds; and

12 (ii) The amount of delinquent solid waste assessment
13 and penalty and interest that qualifies under this subdivision (a)(5) to be
14 withheld.

15 (C) If the Commissioner of State Lands is required to make
16 a refund of the delinquent solid waste assessment withheld under subdivision
17 (a)(5)(A) of this section to a purchaser of tax-delinquent ~~lands~~ parcels for
18 any reason, the amount of the refund shall be recovered by the Commissioner
19 of State Lands from the county or counties that originally received the
20 proceeds under this subdivision (a)(5) of the tax-delinquent ~~land~~ parcel
21 sale.

22 (D) The Commissioner of State Lands shall promulgate rules
23 and forms needed to administer this subdivision (a)(5).

24 (E) This section does not require the Commissioner of
25 State Lands to search county records to determine whether an owner of the
26 tax-delinquent ~~land~~ parcel owes delinquent solid waste assessments.

27 (F) This section does not grant a county a right to a lien
28 against real property for the payment of delinquent solid waste assessment;
29 and

30 (6) Sixth, to be placed in another escrow fund administered by
31 the Commissioner of State Lands, the remainder, if any.

32
33 SECTION 7. Arkansas Code § 26-37-205(b)(2)(A), concerning the
34 distribution of remaining funds to former owners of tax-delinquent land, is
35 amended to read as follows:

36 (2)(A) After payment is made to the Commissioner of State Lands

1 pursuant to subdivision (b)(1) of this section, the amount left in the
 2 remaining funds shall be paid to the former owners of the tax-delinquent ~~land~~
 3 parcel.

4
 5 SECTION 8. Arkansas Code § 26-37-205(b)(2)(C)(ii), concerning the
 6 application process to establish prior ownership of tax-delinquent land, is
 7 amended to read as follows:

8 (ii) The application shall be provided by the
 9 Commissioner of State Lands and shall require proof of ownership of the tax-
 10 delinquent ~~land~~ parcel as well as proof of authority to act on behalf of the
 11 owner.

12
 13 SECTION 9. Arkansas Code § 26-37-205(b)(2)(D)(i), concerning the
 14 requirements to obtain payment of excess funds by a prior owner of tax-
 15 delinquent lands, is amended to read as follows:

16 (D)(i) The former owner shall release and relinquish all
 17 rights, title, and interests in and to the tax-delinquent ~~land~~ parcel.

18
 19 SECTION 10. Arkansas Code § 26-37-205(b)(3), concerning the obsolete
 20 provisions of the law regarding escrow funds for excess funds, is repealed.

21 ~~(3)(A) Any funds placed in escrow prior to July 1, 2005, shall~~
 22 ~~be held in escrow for five (5) years and at the end of the five year period,~~
 23 ~~if the funds have not been distributed, the escrow funds shall escheat by~~
 24 ~~operation of law to the county in which the property is located.~~

25 ~~(B) Any funds placed in escrow on and after July 1, 2005,~~
 26 ~~but before July 1, 2018, shall be held for three (3) years, and at the end of~~
 27 ~~the three year period, if the funds have not been distributed, the escrow~~
 28 ~~funds shall escheat by operation of law to the county in which the property~~
 29 ~~is located.~~

30 ~~(C) Any funds placed in escrow on and after July 1, 2018,~~
 31 ~~shall be held for two (2) years, and at the end of the two year period, if~~
 32 ~~the funds have not been distributed, the escrow funds shall escheat by~~
 33 ~~operation of law to the county in which the property is located.~~

34
 35 SECTION 11. Arkansas Code § 26-37-205(c)-(e), concerning the
 36 distribution of proceeds from the redemption or sale of tax-delinquent lands

1 to municipal taxing units, is amended to read as follows:

2 (c) Any funds placed in escrow shall be held by the Commissioner of
 3 State Lands for two (2) years from the date the funds are placed in escrow,
 4 and if at the conclusion of that time the funds have not been distributed,
 5 the escrow funds shall escheat by operation of law to the county in which the
 6 property is located.

7 (d) All funds distributed to each county by the Commissioner of State
 8 Lands from the redemption or sale of tax-delinquent ~~lands~~ parcels, including
 9 any interest and costs, are to be distributed to the applicable taxing units
 10 where the delinquent ~~land~~ parcel is located within the county in the manner
 11 and proportion that the taxes would have been distributed if they had been
 12 collected in the year due.

13 ~~(d)~~(e) All funds received by a county from the redemption of tax-
 14 delinquent ~~land~~ parcels at the county level, including any penalty, interest,
 15 and costs, are to be distributed to the applicable taxing units where the
 16 delinquent ~~land~~ parcel is located within the county in the manner and
 17 proportion that the taxes would have been distributed if they had been
 18 collected in the year due.

19 ~~(e) This section shall be severable, and if any phrase, clause,~~
 20 ~~sentence, or provision of this section is declared to be contrary to the laws~~
 21 ~~of this state, the validity of the remainder of this section shall not be~~
 22 ~~affected.~~

23
 24 SECTION 12. Arkansas Code § 26-37-303(a), concerning redemption deeds
 25 issued by the Commissioner of State Lands, is amended to read as follows:

26 (a) If the owner or redeemer redeems the tax-delinquent ~~land~~ parcel,
 27 the Commissioner of State Lands shall issue a redemption:

28 (1) ~~deed~~ Deed in the name of the owner or redeemer and record it
 29 in the county wherein the ~~land~~ parcel is located; and

30 (2) Receipt to the redeemer.

31
 32 SECTION 13. Arkansas Code § 26-37-303(b)(2), concerning specific
 33 attributes of redemption deeds issued by the Commissioner of State Lands, is
 34 amended to read as follows:

35 (2) Not convey or change the legal ownership to the ~~property~~
 36 parcel redeemed.

1
2 SECTION 14. Arkansas Code § 26-37-310 is amended to read as follows:

3 26-37-310. Procedure for redeeming ~~land~~ parcels certified to state -
4 Definition.

5 (a) All ~~land~~ parcels forfeited to the state for nonpayment of taxes
6 may, until disposed of by the state, be redeemed under this section.

7 (b) To request redemption under subsection (a) of this section, a
8 person shall submit the following to the Commissioner of State Lands:

9 (1)(A) An executed petition with a verified signature to redeem
10 the ~~property~~ parcel in a form prescribed by the Commissioner of State Lands.

11 (B) The Commissioner of State Lands shall make the
12 petition form available upon request;

13 (2) Payment in an amount equal to the total of outstanding
14 taxes, penalties, interest, fees, and costs owed at the time the petition is
15 received by the Commissioner of State Lands; and

16 (3) Any additional documentation requested by the Commissioner
17 of State Lands.

18 (c) The total amount due under subdivision (b)(2) of this section
19 shall not be raised or lowered for thirty (30) days after the date the
20 redemption under subsection (a) of this section is requested, unless:

21 (1) The ~~property~~ parcel has been sold;

22 (2) The records have been amended by a county; or

23 (3) The actual costs, fees, and taxes are added to the total
24 amount due.

25 (d) An updated petition to redeem shall be provided to the
26 Commissioner of State Lands, if the date of the submission of the petition to
27 redeem has expired or additional costs, fees, and taxes have accrued.

28 (e) Petitions and payment in full received by the Commissioner of
29 State Lands for tax delinquent parcels at least thirty (30) days before and
30 ~~no later than ten (10) days following the~~ more than forty (40) days before
31 4:00 p.m. the day before the published sale date shall be made in cash,
32 certified funds, or as provided in § 26-37-302.

33 (f) Petitions and payment in full received by the Commissioner of
34 State Lands for online auction parcels at least thirty (30) days before 4:00
35 p.m. the day before the published sale date shall be made in certified funds,
36 or as provided under § 26-37-302.

1 ~~(f)(1)~~(g)(1) Upon redemption, a redemption deed will be issued by the
2 Commissioner of State Lands.

3 (2) The deed shall be forwarded to the circuit clerk of the
4 county in which the ~~land or lot~~ parcel conveyed by the deed is situated, to
5 be filed of record.

6 (3)(A) The Commissioner of State Lands may establish by rule a
7 fee for producing a redemption deed.

8 (B)(i) A fee under this subsection shall not be
9 established in an amount that exceeds the costs expended by the Commissioner
10 of State Lands in producing or filing the redemption deed or performing the
11 services required to carry out the established duties of the ~~office~~ Office of
12 the Commissioner of State Lands.

13 (ii) As used in subdivision (f)(3)(B)(i) of this
14 section, "costs" means the actual costs expended by the Commissioner of State
15 Lands plus three percent (3%) of the actual costs expended by the
16 Commissioner of State Lands.

17 ~~(g)~~(h) The redemption deed shall serve as proof that payment has been
18 received by the Commissioner of State Lands, in accordance with the
19 provisions of § 26-37-302, and does not convey or change the legal ownership
20 to the property redeemed.

21 ~~(h)~~(i) Upon receipt of the redemption deed, the county collector shall
22 extend on the tax book against the ~~land~~ parcel or lot the taxes other than
23 state and county for the years that the taxes have not been paid since the
24 sale of the ~~land or lot~~ parcel to the state, and these taxes shall be charged
25 and collected as other taxes.

26 (i) The proceeds of all redemptions of forfeited ~~land~~ parcels shall be
27 divided between the county where the ~~land are~~ parcel is situated and the
28 state, as set forth in § 26-37-205, and paid over in the manner as required
29 and provided in this section.

30
31 SECTION 15. Arkansas Code § 26-37-313 is repealed.

32 ~~26-37-313. Reassessment of parcels of land upon depreciation since~~
33 ~~forfeiture.~~

34 ~~(a)(1) Town and city lots and blocks and acreage tracts, lots, blocks,~~
35 ~~divisions, and subdivisions that have been platted and sold as being outside~~
36 ~~of the corporate limits of towns and cities, and rural lots and parcels of~~

1 ~~land now, or which may hereafter be, forfeited to the state for nonpayment of~~
 2 ~~taxes due thereon that have depreciated in value since forfeiture may be~~
 3 ~~reassessed at their present value by the county assessor of the county in~~
 4 ~~which the lands are located, upon application being made in writing by the~~
 5 ~~applicant to redeem or purchase them, setting forth the reasons for the~~
 6 ~~reassessment. No application shall contain more than five (5) descriptive~~
 7 ~~calls. Before any such reassessment shall be valid, it shall be presented to~~
 8 ~~the county judge and the chief county school officer of the county in which~~
 9 ~~the lands are located and approved by them in writing and made a matter of~~
 10 ~~record in the county by the county clerk.~~

11 ~~(2) The fee of the county assessor shall be one dollar (\$1.00)~~
 12 ~~for each application. The fee shall be paid to the county treasurer and~~
 13 ~~credited by him or her to the county general revenue fund. The fee of the~~
 14 ~~county clerk shall be the regular fee allowed by law and shall be paid by the~~
 15 ~~applicant seeking reassessment.~~

16 ~~(b)(1) If the county assessor deems the assessment for which parcels~~
 17 ~~of land were forfeited to be too high, he or she shall prepare a certificate~~
 18 ~~stating that a reassessment has been made under this section and shall state,~~
 19 ~~under oath, the cause for the depreciation in the value of the lots or~~
 20 ~~parcels of land.~~

21 ~~(2) The county assessor, the county judge, and the chief county~~
 22 ~~school officer are prohibited from making any such reassessment as set out in~~
 23 ~~this section except for the following causes:~~

24 ~~(A) Burned buildings not replaced and on which the~~
 25 ~~applicant did not collect insurance;~~

26 ~~(B) Buildings removed and from which the applicant~~
 27 ~~received no benefit;~~

28 ~~(C) Erosion;~~

29 ~~(D) Damage by flood;~~

30 ~~(E) Damage by tornado;~~

31 ~~(F) Removal of timber from which the applicant received no~~
 32 ~~benefit; or~~

33 ~~(G) Any act of God.~~

34 ~~(3) When the reassessment has been made, a complete record~~
 35 ~~thereof, including a certified copy of the application, the reassessment, and~~
 36 ~~the court order, shall be forwarded to the Commissioner of State Lands, who~~

1 ~~shall, upon its receipt, enter it upon a record to be kept by him or her in~~
2 ~~his or her office for that purpose, and he or she shall issue redemption~~
3 ~~deeds or sale deeds for forfeited lands in the manner and form provided by~~
4 ~~law, based upon the reassessment value.~~

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