

State of Arkansas *As Engrossed: H3/17/25 S4/8/25*

95th General Assembly

A Bill

Regular Session, 2025

HOUSE BILL 1695

By: Representatives J. Richardson, Andrews, Hudson

By: Senator Crowell

For An Act To Be Entitled

AN ACT TO AMEND THE LAW CONCERNING MUNICIPAL LIENS
RELATED TO NEGLECTED PROPERTY AND TAX-DELINQUENT
PROPERTY; TO CLARIFY THE FORECLOSURE PROCESS FOR
PROPERTY SUBJECT TO A MUNICIPAL LIEN; TO ALLOW A
MUNICIPALITY TO *PETITION TO SET ASIDE* THE SALE OF
PROPERTY BY THE STATE TO A PERSON THAT OWNS TAX-
DELINQUENT PROPERTY IN THIS STATE; TO PROVIDE FOR THE
PRIORITY OF UNRECORDED MUNICIPAL LIENS OVER OTHER
UNRECORDED LIENS; AND FOR OTHER PURPOSES.

Subtitle

*TO CLARIFY THE FORECLOSURE PROCESS FOR
PROPERTY SUBJECT TO A MUNICIPAL LIEN; TO
ALLOW A MUNICIPALITY TO PETITION TO SET
ASIDE THE SALE OF PROPERTY TO CERTAIN
PERSONS; AND TO PROVIDE FOR THE PRIORITY
OF UNRECORDED MUNICIPAL LIENS.*

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

*SECTION 1. Arkansas Code § 14-54-901 is amended to read as follows:
14-54-901. Municipal authority.*

*(a) Incorporated towns and cities of the first and second class are
empowered to order the owner of lots and other real property within their
towns or cities to cut weeds; to remove garbage, rubbish, and other unsightly
and unsanitary articles and things upon the property; and to eliminate, fill
up, or remove stagnant pools of water or any other unsanitary thing, place,*



1 or condition which might become a breeding place for mosquitoes, flies, and
2 germs harmful to the health of the community, after the town or city has
3 provided therefor by an ordinance to that effect.

4 (b) A city of the first class, a city of the second class, or an
5 incorporated town may order the removal or razing of, or remove or raze,
6 buildings or houses that in the opinion of the city council or town council
7 have become dilapidated, unsightly, unsafe, unsanitary, obnoxious, or
8 detrimental to the public welfare and shall provide by ordinance the manner
9 of removing and making these removals.

10
11 SECTION 2. Arkansas Code § 14-54-903(b), concerning the refusal of a
12 property owner to comply with a municipal notice related to neglected
13 property, is amended to read as follows:

14 (b)(1) If the owner or lienholder of any lot or other real property
15 within an incorporated town or city neglects or refuses to remove, abate, or
16 eliminate any condition under an ordinance passed by the city or town as
17 provided in § 14-54-901, after having been given seven (7) days' notice in
18 writing to do so, then the town or city may do whatever is necessary to
19 correct the condition and to charge the cost thereof to the owner of the lots
20 or other real property.

21 (2) A city or town incurring costs under subdivision (b)(1) of
22 this section may collect the costs from the owner of the lot or other real
23 property in the manner provided for the collection of a civil judgment.

24
25 SECTION 3. Arkansas Code § 14-54-903(c)(2), concerning the refusal of
26 a property owner to comply with a municipal notice related to neglected
27 property, is amended to read as follows:

28 (2) ~~The town or city~~ or town shall file the lien with the
29 ~~circuit court~~ county recorder no later than one hundred twenty (120) days
30 after the town or city completes the clean-up work on the property.

31
32 SECTION 4. Arkansas Code § 14-54-903(i), concerning the refusal of a
33 property owner to comply with a municipal notice related to neglected
34 property, is amended to read as follows:

35 (i) The city or town shall file its lien with the ~~circuit clerk~~ county
36 recorder no later than sixty (60) days after the governing body of the city

1 or town confirms the lien amount, or if the lien is appealed, within sixty
2 (60) days after the city or town wins on appeal.

3
4 SECTION 5. Arkansas Code § 14-54-903(j)(2), concerning the refusal of
5 a property owner to comply with a municipal notice related to neglected
6 property, is amended to read as follows:

7 (2) Priority status shall be awarded to the priority clean-up
8 lien with respect to any previously recorded lien if the court determines
9 that such lienholder has failed to exercise its rights to foreclose its lien
10 when the obligation it secures becomes in default or has failed to pay the
11 costs of work undertaken by a city or town that composes the clean-up lien.
12 However, the amount as to which the clean-up lien shall have priority shall
13 be the amount the court finds reasonable and is limited to:

14 (A) No more than ~~one two~~ thousand dollars ~~(\$1,000)~~
15 (\$2,000) for grass or weed cutting;

16 (B) No more than ~~five ten~~ thousand dollars ~~(\$5,000)~~
17 (\$10,000) to board and secure the property;

18 (C) No more than ~~seven thousand five hundred dollars~~
19 ~~(\$7,500)~~ fifteen thousand dollars (\$15,000) to demolish any structures on the
20 property; or

21 (D) No more than ~~fifteen thirty~~ thousand dollars ~~(\$15,000)~~
22 (\$30,000) for environmental remediation.

23
24 SECTION 6. Arkansas Code § 14-54-903, concerning the refusal of a
25 property owner to comply with a municipal notice related to neglected
26 property, is amended to add an additional subsection to read as follows:

27 (k) If an indebtedness filed as a lien under this section is paid and
28 satisfied, the city or town shall enter satisfaction of the lien on the
29 record in the office of the county recorder within thirty (30) days of the
30 satisfaction of the lien.

31
32 SECTION 7. Arkansas Code § 14-54-904(a)(1), concerning the manner of
33 enforcing a lien for clearance by municipality, is amended to read as
34 follows:

35 (1)(A) By an action for foreclosure in the circuit court by the
36 city or town, or if the city or town has established a land bank, by a land

1 bank that has been assigned the lien.

2 (B)(i) A city or town that has been granted a lien under
3 this subchapter may:

4 (a)(1) File an action for foreclosure under
5 this subdivision (a)(1) in the circuit court that has jurisdiction over the
6 property that is subject to the lien.

7 (2) An action for foreclosure under this
8 subdivision (a)(1) shall name all lienholders of record over which a city or
9 town claims the city or town has priority as parties to the foreclosure.

10 (3) If a lienholder is not named as a
11 party to a foreclosure under subdivision (a)(1)(B)(i)(a)(2) of this section,
12 the lien held by the lienholder shall remain on the property; and

13 (b) Petition for the circuit court to order
14 the sale of the property.

15 (ii)(a) If a city or town petitions a circuit court
16 for the sale of property under subdivision (a)(1)(B)(i) of this section, the
17 circuit court may order the property to be sold at a public sale.

18 (b) If a circuit court orders the sale of
19 property at a public sale under subdivision (a)(1)(B)(ii)(a) of this section,
20 the circuit court shall appoint a commissioner to oversee the sale of the
21 property.

22 (iii) A commissioner appointed under subdivision
23 (a)(1)(B)(ii)(b) of this section shall:

24 (a) Be responsible for conducting the public
25 sale of the property in accordance with the order of the circuit court and
26 any applicable laws; and

27 (b) Set the time and place of the public sale
28 at a date that is at least thirty (30) days after the circuit court ordered
29 the sale of the property.

30 (iv)(a) When a commissioner appointed under
31 subdivision (a)(1)(B)(ii) of this section has set the time and place of a
32 public sale under subdivision (a)(1)(B)(iii)(b) of this section, the city or
33 town that petitioned for the sale of the property under subdivision
34 (a)(1)(B)(i) of this section shall provide notice of the sale to the owner of
35 the property at the owner's last known address and any lienholders of record
36 at the address shown in the relevant land records of the time and place of

1 the public sale of the property.

2 (b) A city or town is not required to
3 notify a holder of an unrecorded lien or an unrecorded assignee of a
4 lienholder under this subdivision (a)(1)(B)(iv).

5 (c) The notice to an owner required under
6 subdivision (a)(1)(B)(iv)(a) of this section shall contain at least

7 (3) The notice to an owner required under
8 subdivision (a)(1)(B)(iii)(c)(1) of this section shall contain at least a
9 partial or abbreviated legal description of the property, the parcel number
10 for the property, the date of the public sale of the property, and a
11 statement that the property will be sold if not redeemed by the date of the
12 public sale; and

13 (d) Advertise the time and place of the public
14 sale of the property by publishing an advertisement in a newspaper of general
15 circulation in the county in which the property is located at least one (1)
16 time a week for two (2) consecutive weeks before the public sale.

17 (C) Proceeds from a public sale conducted under
18 subdivision (a)(1)(B) of this section shall be distributed based on the
19 priority of the liens on the property in accordance with the order of
20 disbursement issued by the circuit court.

21 (D) A lien that exists on property sold at a public sale
22 that complies with the requirements stated in this section and is conducted
23 under subdivision (a)(1)(B) of this section that is not satisfied after the
24 distributions provided under subdivision (a)(1)(C) of this section is
25 extinguished upon the completion of the public sale conducted under
26 subdivision (a)(1)(B) of this section; or

27
28 SECTION 8. Arkansas Code § 14-54-904(b)(1)(A), concerning the
29 enforcement of a lien for clearance by municipality, is amended to read as
30 follows:

31 (b)(1)(A)(i) In any situation in which a city ~~of the first class or~~
32 ~~city of the second class~~ or town issues an order for the removal, repair to
33 return the structure to compliance with minimum building code standards, or
34 razing of a building or house under the provisions of ~~14-56-203~~ 14-54-901(b)
35 and such order is not complied with by the owner of the building or house and
36 the city or town then removes, repairs, or razes the building or house, a

1 ~~lien is granted and given against the real property for the cost of the owner~~
2 ~~of the building or house is liable for all costs incurred by the city or town~~
3 ~~related to the removal, repair, or razing of the building or house, including~~
4 ~~without limitation any administrative, legal, filing, collection, and title~~
5 ~~search costs.~~

6 (ii) A city or town may collect costs incurred under
7 this subsection from the owner of the building or house in any manner
8 provided for the collection of a civil judgment.

9 (iii) A city or town is granted a lien for the costs
10 incurred under this subsection, which shall be filed in the office of the
11 county recorder within one hundred twenty (120) days.

12 (iv) If an indebtedness filed as a lien under this
13 subsection is paid and satisfied, the city or town shall enter satisfaction
14 of the lien on the record in the office of the county recorder within thirty
15 (30) days of the satisfaction of the lien.

16
17 SECTION 9. Arkansas Code § 14-56-203 is repealed.

18 ~~14-56-203. Removal or razing of buildings.~~

19 ~~Cities of the first class, cities of the second class, and incorporated~~
20 ~~towns may order the removal or razing of, or remove or raze, buildings or~~
21 ~~houses that in the opinion of the city council or town council have become~~
22 ~~dilapidated, unsightly, unsafe, unsanitary, obnoxious, or detrimental to the~~
23 ~~public welfare and shall provide by ordinance the manner of removing and~~
24 ~~making these removals.~~

25
26 SECTION 10. Arkansas Code § 26-37-205(b)(2)(A), concerning the
27 distribution of funds from the sale of tax-delinquent property, is amended to
28 read as follows:

29 (2)(A) ~~After~~ Except as provided in subdivision (b)(2)(E)(ii) of
30 this section, after payment is made to the Commissioner of State Lands
31 pursuant to subdivision (b)(1) of this section, the amount left in the
32 remaining funds shall be paid to the former owners of the tax-delinquent
33 parcel.

34
35 SECTION 11. Arkansas Code § 26-37-205(b)(2)(E), concerning the
36 distribution of funds from the sale of tax-delinquent property, is amended to

1 read as follows:

2 (E)(i) In the event of any dispute, claim, multiple claims
3 of ownership, controversy regarding the release of the funds, or claim not
4 expressly permitted under this section, the Commissioner of State Lands may
5 require the party or parties to provide a court order to resolve the issues
6 and to establish the party or parties entitled to the remaining funds.

7 (ii)(a) A city or town incorporated in this state
8 that possesses an unrecorded clean-up lien on property under § 14-54-903(c)
9 or § 14-54-904(b) may file a claim for the amount of the unrecorded lien in
10 circuit court.

11 (b) A claim for the amount of an unrecorded
12 lien under this subdivision (b)(2)(E)(ii) has priority status over other
13 unrecorded liens.

14 (c) A court that determines the validity of a
15 claim for the amount of an unrecorded lien under this subdivision
16 (b)(2)(E)(ii) shall issue an order for the amount to be distributed by the
17 Commissioner of State Lands to the city or town from the escrow fund
18 established under subdivision (a)(6) of this section before funds may be
19 released to the former owners of the property.

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21 /s/J. Richardson
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