

State of Arkansas  
91st General Assembly  
Regular Session, 2017

# A Bill

SENATE BILL 450

By: Senator Hester  
By: Representative Ballinger

## For An Act To Be Entitled

AN ACT TO AMEND THE LAW CONCERNING THE SALE AND  
REDEMPTION OF TAX-DELINQUENT PROPERTY; AND FOR OTHER  
PURPOSES.

### Subtitle

TO AMEND THE LAW CONCERNING THE SALE AND  
REDEMPTION OF TAX-DELINQUENT PROPERTY.

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

SECTION 1. Arkansas Code § 26-37-202(b), concerning the procedure for selling tax-delinquent land, is amended to read as follows:

(b)(1) If at the scheduled public sale a person or entity does not bid at least the amount of delinquent taxes, penalties, interest, and the costs of the sale, the Commissioner of State Lands may ~~negotiate a private sale offer to sell tax-delinquent land at a post-auction private sale.~~

~~(2) (A) Except as provided in subdivision (b)(2)(B) of this section, a negotiated private sale shall be approved by the Attorney General before conveyance of the land by the Commissioner of State Lands.~~

~~(B) A negotiated private sale that occurs later than two (2) years after the scheduled public sales does not require approval by the Attorney General.~~

(2)(A) If tax-delinquent land is offered at a post-auction private sale within the first two (2) years following the public sale under subdivision (b)(1) of this section, the tax-delinquent land shall be offered for at least the amount of the delinquent taxes, penalties, interest, and the



costs of the sale.

(B) If tax-delinquent land is offered two (2) years or more following the public sale under subdivision (b)(1) of this section, the sale of the tax-delinquent land may be negotiated at a price the Commissioner of State Lands determines to be in the best interest of the state and the local taxing units.

(3) The Commissioner of State Lands shall submit quarterly reports to the Legislative Council or, if the General Assembly is in session, the Joint Budget Committee, listing all tax-delinquent land sold at a post-auction private sale under this section.

SECTION 2. Arkansas Code § 26-37-202(e)(1), concerning the procedure for selling tax-delinquent land, is amended to read as follows:

(e)(1) After a sale of the land by the Commissioner of State Lands, including a ~~negotiated~~ post-auction private sale, the Commissioner of State Lands shall notify the owner and all interested parties of the right to redeem the land within ten (10) days, excluding Saturdays, Sundays, and legal holidays, after the date of the sale by paying all taxes, penalties, interest, and costs due, including the cost of the notice.

SECTION 3. Arkansas Code § 26-37-205(b)(1), concerning the distribution of remaining funds collected from the sale of tax-delinquent land if no actions are brought within prescribed time limits, is amended to read as follows:

(1)(A) Ten percent (10%) of the remaining funds up to a maximum amount of five hundred dollars (\$500) shall be paid to the Commissioner of State Lands for the administration of the distribution of the funds~~+~~.

(B) However, the amount paid to the Commissioner of State Lands under this subdivision (b)(1) shall not be a sum less than the amount necessary to pay filing fees required to record any deeds;

SECTION 4. Arkansas Code § 26-37-205(b)(2)(E), concerning the distribution of remaining funds collected from the sale of tax-delinquent land if no actions are brought within prescribed time limits, is amended to read as follows:

(E) In the event of any dispute, claim, ~~or~~ multiple claims

of ownership, ~~or~~ controversy regarding the release of the funds, or claim not expressly permitted under this section, the Commissioner of State Lands may require the party or parties to provide a court order to resolve the issues and to establish the party or parties entitled to the remaining funds.

SECTION 5. Arkansas Code § 26-37-205(b)(3), concerning the distribution of remaining funds collected from the sale of tax-delinquent land if no actions are brought within prescribed time limits, is amended to read as follows:

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

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

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

SECTION 6. Arkansas Code § 26-37-301(a)(3), concerning the notice of the owner's right to redeem tax-delinquent land, is amended to read as follows:

(3) If the notice by certified mail is returned unclaimed or refused, the Commissioner of State Lands shall mail the notice to the owner or interested party by regular mail.

**APPROVED: 04/06/2017**