

State of Arkansas
93rd General Assembly
Regular Session, 2021

As Engrossed: H1/26/21 S3/2/21

A Bill

HOUSE BILL 1229

By: Representative Bentley
By: Senator G. Stubblefield

For An Act To Be Entitled

AN ACT TO AMEND THE PROCEDURE BY WHICH THE
COMMISSIONER OF STATE LANDS SELLS TAX-DELINQUENT
LAND; TO DECLARE AN EMERGENCY; AND FOR OTHER
PURPOSES.

Subtitle

TO AMEND THE PROCEDURE BY WHICH THE
COMMISSIONER OF STATE LANDS SELLS TAX-
DELINQUENT LAND; AND TO DECLARE AN
EMERGENCY.

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

SECTION 1. Arkansas Code § 26-37-202 is amended to read as follows:
26-37-202. Procedure to sell.

(a)(1) Bidders for parcels at a tax-delinquent property auction may bid at the sale or may submit their bids ~~mail their bid~~ to the office of the Commissioner of State Lands by mail or online.

(2) Bids shall be delivered at the appropriate place or by the appropriate method before the deadline established in the notice of the ~~sale~~ tax-delinquent property auction.

(3) The Commissioner of State Lands shall conduct a tax-delinquent property auction under this subsection in person under subdivisions (c)(1) and (c)(2) if this section.

(4)(A) An individual or entity whose home of record is outside the United States is prohibited from purchasing tax-delinquent property



certified to the Commissioner of State Lands.

(B) Effective July 1, 2021, in the event it is determined that a tax-delinquent parcel previously certified to the Commissioner of State Lands has been purchased by an individual or entity whose home of record is outside the United States:

(i) The deed shall be cancelled by the Commissioner of State Lands within three (3) business days of the determination;

(ii) Any and all moneys originally paid to the Commissioner of State Lands for the parcel are immediately forfeited to the Commissioner of State Lands; and

(iii) The parcel is immediately considered certified to the Commissioner of State Lands as tax-delinquent.

(b)(1)(A) If at the scheduled ~~public sale~~ tax-delinquent property auction 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 ~~offer to sell tax-delinquent land at a post-auction private sale~~ an unsold-property auction.

(B) The Commissioner of State Lands may conduct an unsold-property auction under subdivision (b)(1)(A) of this section online.

(2)(A) If tax-delinquent land is offered at a ~~post-auction private sale~~ an unsold-property auction within the first two (2) years following the ~~public sale~~ tax-delinquent property auction under ~~subdivision (b)(1)~~ subsection (a) 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)(i) If tax-delinquent land is offered two (2) years or more following the ~~public sale~~ tax-delinquent property auction under ~~subdivision (b)(1)~~ subsection (a) 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.

(ii) The Commissioner of State Lands may conduct a negotiated-price sale under subdivision (b)(2)(B)(i) of this section online.

(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~~ an unsold-property auction or a negotiated-price sale under this section.

(c)(1) Except as provided in subdivision (c)(2) of this section, when the Commissioner of State Lands ~~shall conduct~~ conducts an in-person tax-delinquent sales property auction, the in-person tax-delinquent property auction shall take place in the county where the land is located.

(2) If the Commissioner of State Lands determines that sufficient parcels of land located in one (1) county do not exist to justify ~~a single~~ an in-person sale in one (1) county, the Commissioner of State Lands may hold ~~a~~ an in-person tax-delinquent ~~land sale~~ property auction or in one (1) location and sell land located in more than one (1) county if the *counties are adjoining counties.*

(3) Unsold-property auctions and negotiated-price auctions are exempt from subdivisions (c)(1) and (c)(2) of this section.

(d) The ~~sales~~ auctions under this section shall be conducted on the dates specified in the notices required by this subchapter.

(e)(1) After a sale of the land by the Commissioner of State Lands, ~~including a post-auction private sale~~ regardless of whether the sale occurred at a tax-delinquent property auction, an unsold-property auction, or a negotiated-price 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.

(2) The notice under subdivision (e)(1) of this section shall be sent by regular mail to the last known address of the owner and all interested parties.

(3) If the land is not redeemed, a limited warranty deed shall be issued by the Commissioner of State Lands to the purchaser.

(f) As used in this section, “owner” and “interested party” ~~has~~ have the same meaning as in § 26-37-301.

(g) The Commissioner of State Lands shall promulgate rules to carry out the provisions of this section.

SECTION 2. Arkansas Code § 26-37-203(b)(1), concerning the limitations

period to contest the validity of a sale of tax-delinquent land, is amended to read as follows:

(b)(1) Except as provided in subdivision (b)(2) of this section, an action to contest the validity of a conveyance under this section or a ~~negotiated~~ negotiated-price sale under § 26-37-202 is barred if not commenced within ninety (90) days after the date of the conveyance.

SECTION 3. EMERGENCY CLAUSE. It is found and determined by the General Assembly of the State of Arkansas that certain provisions of the Arkansas Code authorizing the Commissioner of State Lands to conduct in-person auctions of tax-delinquent properties are in need of revision and updating to allow for online auctions of tax-delinquent properties; that due to coronavirus 2019 (COVID-19) and to the inability to hold online auctions, no tax-delinquent properties have been sold for the calendar years 2020 or 2021; that holding tax-delinquent property auctions are of great importance to counties and school districts in Arkansas; and that the immediate creation and implementation of an online tax-delinquent property auction process is necessary to maintain an orderly system of returning tax-delinquent properties to the tax rolls of this state. Therefore, an emergency is declared to exist, and this act being immediately necessary for the preservation of the public peace, health, and safety shall become effective on:

(1) The date of its approval by the Governor;

(2) If the bill is neither approved nor vetoed by the Governor, the expiration of the period of time during which the Governor may veto the bill; or

(3) If the bill is vetoed by the Governor and the veto is overridden, the date the last house overrides the veto.

/s/Bentley

APPROVED: 3/24/21