

State of Arkansas
94th General Assembly
Regular Session, 2023

As Engrossed: S2/13/23
A Bill

HOUSE BILL 1263

By: Representative Richmond
By: Senator G. Stubblefield

For An Act To Be Entitled

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

Subtitle

TO AMEND THE LAW CONCERNING THE SALE AND
REDEMPTION OF TAX-DELINQUENT PROPERTY;
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 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 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 (2) of this section.~~

~~(4)(A)~~ An individual or entity whose home of record is outside the United States is prohibited from purchasing a tax delinquent property parcel certified to the Commissioner of State Lands.

~~(B)(2)~~ 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)~~(A) The deed shall be cancelled by the Commissioner of State Lands within three (3) business days of the determination;

~~(ii)~~(B) 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)~~(C) The parcel is immediately considered certified to the Commissioner of State Lands as tax-delinquent.

(b)(1)(A) If at ~~the~~ a scheduled 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 sell a tax-delinquent ~~land~~ parcel at 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 a tax-delinquent ~~land~~ parcel is offered at an unsold-property auction within the first two (2) years following the tax-delinquent property auction ~~under subsection (a) of this section~~, the tax-delinquent ~~land~~ parcel shall be offered for at least the amount of the delinquent taxes, penalties, interest, and the costs of the sale.

(B)(i) If a tax-delinquent ~~land~~ parcel is offered two (2) years or more following the tax-delinquent property auction ~~under subsection (a) of this section~~, the sale of the tax-delinquent ~~land~~ parcel 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~~ parcels sold at 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 conducts an in-person tax-delinquent property auction, the in-person tax-delinquent property auction shall take place in

the county where the ~~land~~ parcel 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 an in-person sale in one (1) county, the Commissioner of State Lands may hold an in-person tax-delinquent property auction in one (1) location and sell ~~land parcels~~ 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 (2) of this section.

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

~~(e)(1)(A) After a sale of the land by the Commissioner of State Lands, regardless of whether the sale occurred at a tax-delinquent property auction, an unsold-property auction, or a negotiated-price sale, If a tax-delinquent parcel is to be offered at an in-person tax-delinquent property auction, then at least thirty (30) calendar days before the date of the sale the~~ Commissioner of State Lands shall notify the owner and all interested parties by regular mail of the right to redeem the ~~land within ten (10) days, excluding Saturdays, Sundays, and legal holidays, after~~ parcel before 4:00 p.m. central standard time (CST) on the last business day before the date of the sale by paying all taxes, penalties, interest, and costs due, including the cost of the notice.

(B) If a tax-delinquent parcel is offered for sale online through an unsold-property auction or a negotiated-price sale, when the first bid is received, the Commissioner of State Lands shall notify the owner and all interested parties by certified mail of the date of the sale and the right to redeem the parcel before 4:00 p.m. central standard time (CST) on the last business day before the date of the sale by paying all taxes, penalties, interest, and costs due, including the cost of the notice.

(2) The notice required under subdivision (e)(1) of this section shall be sent ~~by regular mail~~ to the owner at his or her last known address, ~~of the owner as certified by the county,~~ and all interested parties.

~~(3)(A) If the land a parcel subject to subdivision (e)(1)(A) of this section is not redeemed by the deadline stated in subdivision (e)(1)(A) of this section, the parcel shall be offered for sale at an in-person tax-delinquent auction, and if sold, a limited warranty deed shall be issued by~~

the Commissioner of State Lands to the purchaser.

(B) If a parcel subject to subdivision (e)(1)(B) of this section is not redeemed by the deadline stated in subdivision (e)(1)(B) of this section, upon sale of the parcel, the Commissioner of State Lands shall issue a limited warranty deed to the purchaser.

(f) Payment to redeem a tax-delinquent parcel under this section shall be made by certified funds, including without limitation, cash, a credit card, debit card, electronic check, escrow check, money order, cashier's check, or certified bank check.

(g) As used in this section:

(1) "Business day" means a Monday, Tuesday, Wednesday, Thursday, or Friday that is not otherwise observed as an official state holiday; and

(2) "owner Owner" and "interested party" have the same meaning as in § 26-37-301.

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

SECTION 2. Arkansas Code § 26-37-302 is amended to read as follows:
26-37-302. Payment required.

(a) To redeem a tax-delinquent land parcel with the county collector or the Commissioner of State Lands ~~and or~~ to purchase a tax-delinquent land parcel at the Commissioner of State Lands' sale, the redeemer or purchaser of the tax-delinquent land parcel shall pay all delinquent taxes, plus:

(1) Ten percent (10%) simple interest for each year of delinquency;

(2) A ten percent (10%) penalty for each year of the delinquency; and

(3) The costs incurred by the county and the Commissioner of State Lands.

(b) The penalties and interest shall accrue beginning on October 16 in the year of delinquency.

(c) Payment to redeem a tax-delinquent land parcel under this section shall be made by cash or certified funds, including without limitation a credit card, debit card, electronic check, escrow check, money order, cashier's check, or certified bank check if the redemption occurs:

(1) Within thirty (30) days before the date of the scheduled

sale tax-delinquent property auction; or

(2) ~~During the redemption period following the sale~~ Within thirty (30) days before the sale date of the tax-delinquent parcel under bid in an unsold-property auction.

(d) The Commissioner of State Lands may approve additional forms of payment by promulgation of rule.

SECTION 3. Arkansas Code § 26-37-310 is amended to read as follows:

26-37-310. Procedure for redeeming land certified to state –

Definition.

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

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

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

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

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

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

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

(1) The property parcel has been sold;

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

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

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

(e)~~(1)~~ Petitions and payment in full received by the Commissioner of State Lands for in-person tax-delinquent property auctions at least thirty (30) days before ~~and no later than ten (10) days following~~ the sale date

shall be made in cash, certified funds, or as provided in § 26-37-302.

(2) Petitions and payment in full received by the Commissioner of State Lands for unsold-property auctions and negotiated-price sales within thirty (30) days before 4:00 p.m. central standard time (CST) on the business day before the published sale date shall be made in cash, certified funds, or as provided in § 26-37-302.

(f)(1) Upon redemption, ~~a redemption deed will be issued by the~~ Commissioner of State Lands shall issue a redemption deed to the owner or a redemption receipt to the person who paid the taxes if the person who paid the taxes is not the owner.

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

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

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

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

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

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

(i) The proceeds of all redemptions of forfeited ~~lands~~ parcels shall be divided between the county where the ~~lands~~ parcels are situated and the state, as set forth in § 26-37-205, and paid over in the manner as required

and provided in this section.

(j) As used in this section, "business day" means a Monday, Tuesday, Wednesday, Thursday, or Friday that is not otherwise observed as an official state holiday.

SECTION 4. EMERGENCY CLAUSE. It is found and determined by the General Assembly of the State of Arkansas that the efficient management of tax-delinquent property in Arkansas is of utmost importance to school districts and local communities; and that this act is immediately necessary because proper funding of education, roads, hospitals, libraries, public safety, and the general operation of county and city governments are some of the most important responsibilities of the General Assembly. 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/Richmond

APPROVED: 3/9/23