

State of Arkansas
94th General Assembly
Regular Session, 2023

A Bill

HOUSE BILL 1224

By: Representative Bentley
By: Senator G. Stubblefield

For An Act To Be Entitled

AN ACT TO AMEND THE LAW CONCERNING THE REDEMPTION OR SALE OF TAX-DELINQUENT PROPERTY; TO ALLOW A REDEMPTION DEED OR SALE DEED TO BE CANCELED IF THE PAYMENT INSTRUMENT USED TO REDEEM OR PURCHASE TAX-DELINQUENT PROPERTY FAILS OR IS DISHONORED; TO PROVIDE A PENALTY FOR DISHONORED PAYMENT INSTRUMENTS USED TO REDEEM OR PURCHASE TAX-DELINQUENT PROPERTY; AND FOR OTHER PURPOSES.

Subtitle

TO ALLOW A REDEMPTION DEED OR SALE DEED TO BE CANCELED AND A PENALTY IMPOSED IF THE PAYMENT INSTRUMENT USED TO REDEEM OR PURCHASE TAX-DELINQUENT PROPERTY FAILS OR IS DISHONORED.

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

SECTION 1. Arkansas Code Title 26, Chapter 37, Subchapter 3, is amended to add an additional section to read as follows:

26-37-317. Dishonored payment instruments – Penalty.

(a) As used in this section, "payment instrument" means a check, draft, order of payment, debit card order, electronic funds transfer, or other acceptable form of payment that is authorized by rule by the Commissioner of State Lands to be used for payment.

(b) The Commissioner of State Lands may cancel, set aside, and hold



for naught a redemption deed or sale deed he or she issued for a tax-delinquent parcel if:

(1) The payment instrument tendered to and accepted by the Commissioner of State Lands in payment of the redemption amount or purchase price of a tax-delinquent parcel is refused by the drawee because of insufficient funds, insufficient credit, or lack of an account;

(2) The maker or drawer stops payment on the payment instrument tendered to and accepted by the Commissioner of State Lands in payment of the redemption amount or purchase price of a tax-delinquent parcel; or

(3) The payment instrument tendered to and accepted by the Commissioner of State Lands in payment of the redemption amount or purchase price of a tax-delinquent parcel is otherwise dishonored.

(c) Upon the failure or dishonor of a payment instrument tendered to and accepted by the Commissioner of State Lands in payment of the redemption amount or purchase price of a tax-delinquent parcel, the Commissioner of State Lands may:

(1)(A) Issue a cancellation deed cancelling and setting aside the redemption deed or sale deed.

(B) The Commissioner of State Lands shall:

(i) File any cancellation deed issued under subdivision (c)(1)(A) of this section for record in the county in which the parcel is located; and

(ii) Pay the expense for filing a cancellation deed under subdivision (c)(1)(B)(i) of this section from the maintenance fund of the office of the Commissioner of State Lands; and

(2) Impose a penalty against the maker or drawer of the payment instrument in an amount equal to the greater of ten percent (10%) of the face value of the payment instrument or twenty dollars (\$20.00).