

By: Representatives Richmond, A. Brown, Gonzales

HOUSE RESOLUTION

TO AUTHORIZE THE INTRODUCTION OF A NONAPPROPRIATION
BILL TO CREATE THE ARKANSAS PROPERTY RIGHTS
PROTECTION FROM SHARIA LAW ACT; AND TO REGULATE
CERTAIN RESIDENTIAL PROPERTY INTERESTS CONTROLLED BY
CERTAIN ENTITIES.

Subtitle

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NONAPPROPRIATION BILL TO CREATE THE
ARKANSAS PROPERTY RIGHTS PROTECTION FROM
SHARIA LAW ACT AND TO REGULATE CERTAIN
RESIDENTIAL PROPERTY INTERESTS
CONTROLLED BY CERTAIN ENTITIES.

BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES OF THE NINETY-FIFTH GENERAL
ASSEMBLY OF THE STATE OF ARKANSAS:

THAT Senator Blake Johnson is authorized to introduce a bill which as
introduced will read substantially as follows:

"Title

AN ACT TO CREATE THE ARKANSAS PROPERTY RIGHTS PROTECTION FROM SHARIA LAW ACT;
TO REGULATE CERTAIN RESIDENTIAL PROPERTY INTERESTS CONTROLLED BY CERTAIN
ENTITIES; AND FOR OTHER PURPOSES.

Subtitle



TO CREATE THE ARKANSAS PROPERTY RIGHTS PROTECTION FROM SHARIA LAW ACT; AND TO REGULATE CERTAIN RESIDENTIAL PROPERTY INTERESTS CONTROLLED BY CERTAIN ENTITIES.

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

SECTION 1. DO NOT CODIFY. Title.

This act shall be known and may be cited as the "Arkansas Property Rights Protection From Sharia Law Act".

SECTION 2. Arkansas Code Title 4, Chapter 88, Subchapter 1, is amended to add an additional section to read as follows:

4-88-118. Business entity-owned residential arrangements – Definitions.

(a) As used in this section:

(1) "Business entity" means a partnership, corporation, joint venture, limited liability company, or other business organization or business association, however organized;

(2) "Managing entity" means a business entity that owns residential property used in a residential arrangement;

(3) "Residential arrangement" means an arrangement in which the purchaser of an interest in a business entity is entitled to the exclusive possession of the residential property owned by the entity as long as the purchaser holds the interest in the business entity; and

(4) "Residential property" means the real property and improvements for a single-family house, duplex, triplex, or quadruplex.

(b) An agreement for the purchase of an interest in a managing entity shall disclose to the purchaser that the agreement is for the purchase of an interest in the entity and not in any residential property itself.

(c) The purchase agreement and any other agreement or rules governing the residential arrangement or the ownership interest in the entity shall not require that a dispute concerning the arrangement or interest be brought before a tribunal other than a court established under the laws of this state or the United States.

(d) A managing entity shall not take an action with respect to an interest in the entity in a manner that would be a violation of the Arkansas

Fair Housing Act, § 16-123-201 et seq., if the interest in the entity were an interest in real property, including without limitation:

- (1) Restricting the transfer of the interest;
- (2) Imposing requirements to maintain the interest; or
- (3) Refusing to grant an interest to an otherwise qualified

person.

(e) Notwithstanding any provision in an agreement between the owner and a managing entity, an owner of an interest in a managing entity may transfer the interest without approval from the managing entity.

(f) A managing entity shall not charge a fee for or share in the proceeds of the transfer of an interest in the managing entity from an owner to a subsequent purchaser.

(g)(1) A violation of this section is an unfair and deceptive act or practice, as defined by the Deceptive Trade Practices Act, § 4-88-101 et seq.

(2) All remedies, penalties, and authority granted to the Attorney General under the Deceptive Trade Practices Act, § 4-88-101 et seq., shall be available to the Attorney General for the enforcement of this chapter.

(h)(1) A managing entity shall not take an action with respect to an interest in the entity if the managing entity is being investigated for a violation of the Arkansas Securities Act, § 23-42-101 et seq.

(2) The Attorney General may pursue an injunction against a managing entity if a violation of subdivision (h)(1) is found.

(i) A court that finds a violation of this section may enjoin a managing entity or a person affiliated with the managing entity from taking action in furtherance of the development of or construction on residential property used in a residential arrangement subject to an action under this section, including without limitation:

(1) Filing a petition with the Division of Environmental Quality for the creation of a municipality or consolidated utility district created under the General Consolidated Public Utility System Improvement District Law, § 14-217-101 et seq.;

(2) Taking action in connection with a petition for the creation of a district described by subdivision (i)(1) of this section filed with the division before the issuance of the injunction; or

- (3) Receiving, directly or indirectly, any public money or

benefit.

(j) This section does not apply to:

(1) The sale, rental, or occupancy of a dwelling that is a single-family house, duplex, triplex, or quadruplex located on a subdivided lot in a parcel of land twenty-five (25) acres or greater owned by a religious organization, association, or society or a nonprofit institution or organization operated, supervised, or controlled by or in conjunction with a religious organization, association, or society; or

(2) A time-share interest as defined under § 18-14-102 et seq."